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INDICATORS SHOW DECIDED UPWARD BUSINESS TREND

Current Bank Loans Suddenly Turn Upward After Long Decline

MORE POWER IS USED

Building in Western Canada Doubled During First Quarter of the Current Year

Certain significant adjustments in the business situation bear unmistakable evidence of improving conditions. One-third completed, the year is sufficiently advanced to make justifiable comparisons. Almost without exception, these comparisons show that 1926 represents a higher volume of output, greater business turnover, and enhanced buying power. Furthermore, the country is safely passing through certain situations involving danger to business. The federal budget caused temporary business uncertainty, but this has largely passed. Crashing markets in the United States have had little or no effect on business here. The British strike affected Canadian trade and industry only in minor details.

Overshadowing other signals of business improvement at the moment is the reversal of the steady decline in bank loans. For months—years in fact—observers of Canadian business have followed with concern the steady drop in current loans of the chartered banks. The February statement shows current loans at $862,716,608, a decline of nearly $7,000,000 from January and nearly $46,000,000 from February of last year. This has rightly been taken to indicate industrial timidity, if not stagnation, in certain lines. The March statement shows a complete change. Instead of declining further, loans suddenly increased by $37,600,000. There is still an uninvested margin of about $400,000,000 between savings deposits and current loans, a surplus which is challenging the best brains of the banking fraternity, but if the March improvement continues, it will mean a sharp speeding up of industrial activity.

Substantiating the industrial change indicated by bank figures, is a steady climb in the volume of power produced for use in Canadian manufacturing industries, as computed by the Royal Bank of Canada. These figures show a steady growth. Three years ago, January's total was about 19,000,000 kilowatt hours. Two years ago it was 21,000,000. Last year it had risen to 23,000,000, and in January of this year, to 26,676,000. The rise then became more abrupt—to 27,880,000 k.w.h. in February, and preliminary figures for March and April show a smaller falling off from the December peak than during recent years. Production for the first two months of the year exceeded that for the same time last year by 17½ per cent., and preliminary figures indicate that the rise for the first quarter of 1926 has been at least 12 per cent. over the first quarter of 1925.

West Leads in Recovery

While what has been said applies generally to the country as a whole, the West is taking a decided lead in business improvement. Aside from the fact that the excellent start made this year by the grain crops has created new optimism, there is a very material advance in the incorporation of new companies to carry on business in the Western provinces. Along with this is an enlarged program of construction and building, arising especially out of the need for new and additional plant and equipment. Expansion is most marked in Pacific Coast area, but there is a steady advance in the movement that has been called the industrialization of the West. Small industries, and some larger ones, are growing up in the urban communities to serve the need of the particular area concerned. Building activity is on a more extensive scale in many districts than at any time since before the war. During the first four months of the year the total volume of building was approximately doubled.

Another favorable factor in the West is the rapidity of settlement this year as compared with recent years. This year's quota under the Empire Settlement scheme was filled even before the opening of navigation, and there is quite a substantial number of new settlers passing through Edmonton on their way to the Peace River country, each week. The outlook for settlement is better this year than it has been since before the war.

Prefer to Work for Good Pay Than Parade on May Day

From Our Own Correspondent

SYDNEY.—The deceptive surface appearance of Cape Breton labor affairs was well illustrated on May Day, when not enough men could be persuaded to stay away from the pits to form a parade in Glace Bay, where in other years the miners marched by the thousand under the Red Flag.

This is not due to any decline of affection for the May Day doctrines, but merely to dislike to lose time during the present rush season when all hands are making big money. The O. B. U. is said to be gaining new recruits daily.

Meighen May Take Big Insurance Job

Special Correspondence.

OTTAWA.—In political circles the rumor has revived in pretty definite form that Hon. Arthur Meighen, the Conservative leader, has been offered a very attractive position in private life as the general counsel of one of the big insurance companies. The name of the Metropolitan Life, which has been building up a broad and aggressive organization in Canada, is mentioned.

Mr. Meighen is recognized as one of the most brilliant and respected of Canada's public men and there is perhaps no man in Canada who could fill such a position as that mentioned with greater success. One of his followers in the house remarked a few days ago to The Post representative that he was one of several on the Conservative side who remained in public life only because of their intense admiration for Mr. Meighen's personality, sterling character and his devotion to sound principles, regardless of party advantages.

Other Industries Must Set Out to Win Confidence

Special Correspondence.

OTTAWA.—Industrial leaders have been giving Robert Forke, Progressive chieftain, full credit for the reduction in the duties on automobiles. It is now stated that neither Mr. Forke personally nor his followers as a group ever discussed the matter with the government, though no doubt they had the Progressives in mind when framing this legislation. The real villain, or hero, as you wish, appears to be Hon. Chas. Dunning, according to hints given in the house, and not denied. The government, it is said, had no intention of making so serious a cut and at first resisted Mr. Dunning's pressure. The auto manufacturers, feeling sure from their talks with the Progressives that nothing was to be feared from them, made three serious mistakes: They failed to understand public opinion in its mistrust of manufacturers; they pursued the old gum-shoe policy of "hush! hush!" and they were not tactful in their interviews with the government. Old politicians, who understand the public, say they made the same mistake as the Canadian Bankers' Association in not having begun to present their side in an effort to overcome the antagonism of the public at least a year ago, when Conservative members were complaining. The motor makers' plan of telling their case after they had been adjudged guilty and put in an unfortunate position was worse than useless. It was like a red flag to an already infuriated bull.

Business men in Parliament express the hope that the lesson will not be lost on other industries such as shoes, textiles and others which have been

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SHAREHOLDERS OF CANADA STEAMERS OPPOSE THE PLAN

Others Feel "Bird in Hand Worth Two in Bush"

From Our Own Correspondent.

MONTREAL.—There seems to be a possibility that the offer made to the preference shareholders of the Canada Steamship Lines may not be accepted as considerable opposition has arisen to the proposed plan for adjusting the dividend arrears on the Stock.

Those opposed to the plan say they can see no reason for not holding out for their "pound of flesh," or, in other words, considerably better terms from the company. It is felt also that, if the company is in a position to pay 6 per cent. on the new preference stock in 1927, it would more than probably be in a position to pay 7 per cent. on the old preference stock. These preferred shareholders feel, too, that the present offer is not sufficiently generous, in view of the fact that the major benefit of such a deal would be felt by the common shareholders only.

Waiting for Dividends

On the other hand, there are doubtless many of the preferred shareholders who have been waiting years for some disbursement and, undoubtedly, if the plan be rejected in toto at the preferred shareholders' meeting in June, such disbursement would be further held up. Again, the management's attitude appears to be that the company could undertake its further financing with less expense, provided the preferred shareholders accept the compromise.

By the close of the present year, the preferred stock will be 35 per cent. in arrears—no doubt there are many preferred shareholders who would be willing to undergo the risk of obtaining no immediate benefit and who would be willing to hold on to their present stock, but, on the other hand, there will be many who will relish obtaining "a bird in the hand instead of two in the bush."

Will Require 75 Per Cent. Vote

It has been said that it will require a vote of 75 per cent. of the preferred shareholders to authorize the plan, but some of its opponents say, that before any minority shareholders can be forced to forego their claims in the matter of dividend arrears, it will be necessary to obtain the consent of an even higher percentage.

In the meantime, there is considerable amount of talk of the formation of a preferred shareholders' protective committee. What such a committee could accomplish is unknown, for each individual preferred shareholder can take his choice when the time comes to vote on the matter. The preferred shareholder can vote to ac-

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The Oil Companies'and the Public

An Editorial

S. R. Parsons, president of the British American Oil Co., former president of and for many years the mouthpiece of the Canadian Manufacturers' Association, when asked to explain to the readers of the Toronto Telegram why it has been necessary to advance gasoline prices so sharply, replied. "Nothing to say at all. . . . We are not bound to tell the public why we advance or change prices.

The Telegram then proceeds to give its own analysis of the situation to show that the advance in gasoline is not necessary, that it is due to a combine among the oil companies and that by heavily watered stocks they are extorting outrageous profits from Canadian consumers to pay dividends. It says:

> The Clarkson report points out with great frankness that all the refiners in Canada have agreed to follow the retail figure adopted by the Imperial Oil Company. It would, in the hands of such an expert as Clarkson, be only a logical step from there to show that as capital stock of Imperial Oil is heavily watered, that if all other companies follow its gasolie price, either their capital must also be watered, or else their annual profits must be unreasonable. This point was, however, not touched upon, even although handbooks of the stock exchange show in detail the millions of dollars of watered stock that have been pumped into Imperial capital, and on which the public of Canada must pay dividends through the price of Imperial's products.

The Telegram has probably 300,000 readers, all of whom are voters or soo will be. They can influence prejudicially as many more.

This story is a good one. It is a modern version of "the public be damned." It will, therefore, no doubt be reprinted in some, perhaps many, newspapers and several hundred thousand more Canadians will be ready to vote for any policy that will hit investors in industry. We have seen how the aroused public wiped out the electric interests in Ontario; and more recently hit the hundreds of manufacturers and their thousands of workers in the subsidiaries in implement and motor industries. It is not the government that is responsible. The government merely responds to public prejudices created by the Parsons in industry and the Toronto C. M. A. busybodies. They can do more harm in one sentence than Colonel Hatch, J. H. Fortier, or Elmer Davis, or the sound policies of the Quebec manufacturers, can correct in years. To Mr. Parsons, and the old Toronto clique — whose actual investments were very small—is due more than any other factor the instability of industry in Canada to-day. To-day the C. M. A. is pleading for a getting-together of farmers, manufacturers and workers as our only hope.

During Mr. Parsons' term as president, Roderick MacKenzie came to C. M. A. annual meeting as the official representative of the Western farmers' associations and pleaded for a getting together for the creating of a better understanding between manufacturers and farmers, particularly those of the West. Mr. Parsons would not consider the scheme and said, after Mr. McKenzie withdrew, that if they ever should meet the farmers associations the C. M. A. would have to be represented by some of the ablest lawyers in Canada. Mr. MacKenzie left for the West crestfallen and, as he said to The Post at the time, "depressed over the future." Then followed the vigorous campaign resulting in the advent of the Drury party in Ontario, the domination of national affairs by Progressives and persistent attacks on investors and cuts in tariffs.

The Oil Companies have a good case. If they have big profits, those profits are not wasted—they are put to work creating more industries. In their own interest, in the interests of industry generally, they should give it to the public. They should forbid a man like Mr. Parsons from expressing their views, and ask a man like Victor Ross to explain their case openly and frankly. And they should do it promptly before the ill effects accumulate. The oil interests have been singularly remiss in Canada in the past. They are unpopular with industry as well as the public. The president of the Canada Cement Co. openly accused them of overcharging, and the latest pronouncement of their spokesman has put them in the position of saying "The public be damned."

Protect Our Newsprint Investment

THAT the newsprint industry is moving toward Canada is admitted. That is is an industry which is indigenous to the Dominion is admitted. That the Canadian newsprint mills can compete on a favorable basis with mills in any other part of the world is admitted. But, that there is at least a grave danger of over-production is also admitted—at least, by a large percentage of the executives in the industry—and they ought to know.

Recently there have appeared bullish articles on the newsprint industry, which deal with all the favorable factors in connection with the manufacture of newsprint in Canada, but omit to mention that new production is coming along at an unprecedented rate. But why dodge the issue? If there be any danger of over-production, and the fact that there is this danger appears to be well established, the time for action is now, and not when such an over-production actually exists.

Even to-day, the Canadian newsprint mills should obtain more than $65 a ton for their newsprint, in order that more money may go back into the preservation and propagation of the forests.

Let Provinces Work Together

The situation can be improved in two ways. Firstly, a proper understanding and agreement between the provinces, which will assure the development of the newsprint industry as a whole along the lines which do not lead to over-production. This might be accomplished by leasing timber limits in future at considerably higher rates than those which prevail at present. Thus, newer companies entering a field which already appears to be over-crowded would have less opportunity of endangering the earnings of well-established companies which have long brought prosperity to the Dominion.

Secondly, there seems no reason to doubt the willingness of the Canadian Pulp and Paper Association to co-operate, in order to prevent the export of Canadian pulpwood. Such co-operation might be by way of guaranteeing satisfactory prices to the producers of pulpwood. Thus, it might be possible to increase the cost of the United States producers of paper and to close some of the mills in that country.

Our newsprint industry is the greatest single industrial factor in the Dominion's progress. Its future should not be impaired by lack of thoughtful action by our legislators.

Low Base Metal Prices Cut Smelter's Earnings Materially

Last Year's Lead and Zinc Sales Based on 1925 Average Show $4,700,000 Value Decline at Present Price Level

Many hitherto strong supporters of Consolidated Smelters shares have turned bearish of late because of the drop in the market for base metals, particularly in lead and zinc, the two main items in Smelters production. There is so much bearish talk on the street that the natural tendency would be to suspect short selling. This may be the case but it is yet to reflect in the price of the shares which have been holding strong at present levels.

An analysis of lead and zinc prices shows that prices are low. Lead is particularly weak at New York and London, but it is directly traceable to London. There has been a continued drop in prices there until to-day the lead price level is the lowest in three years. Great Britain normally consumes about 20,000 tons monthly and the possibility of this being thrown on the market in its weakened state has further depressed the market of late.

Offerings of zinc have not been large and this has been a favorable factor in this otherwise weak market. The decline in the London price of this metal has been about half the fall in the price of lead.

The following table gives some idea of the decline that has taken place in the price of these metals when compared with 1924-25.

	1924 av.	1925 av.	Apr., 1926
London lead	34,421	36,429	28,775
London zinc	33,728	36,424	32,503

The decline in prices has been working steadily. Taking the monthly averages since January, 1925, it will be seen that there was quite a decline until a low was registered in May and then a gradual strengthening with the movement reaching its height in October but falling considerably short of the January high. Then another reaction set in and April prices have set a new low. A table giving the range of zinc and lead prices will be found below.

Cuts Into Reserves

As The Financial Post has frequently pointed out, base metal prices are a factor which makes Smelter shares speculative. Not only do they regulate the profit and loss of the company by either cutting or boosting its earning power, but they also affect the ore reserves materially. Certain low grade ores are an asset and are included in ore reserves when they can be mined and treated at a profit. However, when the market price of the metal drops to a point where certain of the low grade ores cannot be mined, treated and sold profitably, then these ores are no longer an asset and may not be included in the ore reserves. Costs, of course, are a big factor here as they regulate the margin of profit and are a factor in determining what ores are commercial and what are not, just the same as the market price of metals.

Taking Smelters sales of lead and zinc for 1925 and basing the value on the average 1925 price and comparing this total with the average price for the present month, one finds that April prices show a decline in the value of the 1925 sales of $4,700,000. These figures are about as accurate as averages can be made and are cited to show the importance of base metals to the earning position of the company. The figures are summarized below, the price used being London and based on long tons in pounds sterling.

Lead	Sales lb.	Aver. price long ton		Value
1925	231,715,000	£36,429	£3,769,294	$18,846,370
At April, 1926, prices—		28,775	2,976,722	$14,883,610
Zinc—				
1925	97,197,000	£36,624	£1,589,155	$7,945,775
At April, 1926, prices—		£32,503	£1,410,339	$ 7,051,695

The decline in metal prices which has taken place is shown in the following table which gives both New York and London prices for 1925 and for 1926 to date.

Lead

	New York 1925	New York 1926	London 1925	London 1926
January	10.169	9.255	41.443	34.778
February	9.428	9.154	37.944	33.903
March	8.914	8.386	36.804	31.625
April	8.005	7.971	32.791	28.775
May	7.985	....	32.283	.....
June	8.321	....	33.479	.....
July	8.151	....	34.698	.....
August	9.192	....	38.188	.....
September ...	9.508	....	38.884	.....
October	9.513	....	39.017	.....
November	9.739	....	36.872	.....
December	9.310	....	34.739	.....
Year	9.020	....	36.429	.....

New York quotations, cents per pound. London, pounds sterling per long ton.

Zinc

	1925	1926	1925 Spot	1926
January	7.738	8.304	37.917	38.059
February	7.480	7.759	36.528	36.053
March	7.319	7.332	35.741	34.090
April	6.985	7.001	34.644	32.503
May	6.951	....	34.223	.....
June	6.990	....	34.149	.....
July	7.206	....	34.894	.....
August	7.576	....	36.691	.....
September	7.753	....	37.435	.....
October	8.282	....	39.884	.....
November	8.614	....	39.039	.....
December	8.565	....	38.327	.....
Year	7.622	....	36.624	.....

St. Louis quotations, cents per pound. London, pounds sterling per long ton.

Expect Dividend for Cockshutt

The general improvement in the market for farm implements as the result of last year's satisfactory crop is being shared by the Cockshutt Plow Co. which has also been working on some very satisfactory orders for agricultural machinery. The company controls the Frost and Wood Co. and through this subsidiary markets a general line of farm implements in addition to plows and heavier machinery turned out in the Cockshutt plant.

It is being credited that dividends will be increased on Cockshutt shares before the end of the year—probably at 4 per cent.

Massey-Harris Coinmon Should Soon Pay Dividend

Favorable reports are received from the Massey-Harris Co. as to present business and prospects. The plants of the company are now working full time and there is a satisfactory demand for the company's products, particularly some of the new lines of equipment being put on the market. Looking ahead, the new crop is an important factor, of course, but prospects are good; debts in Western Canada have been liquidated to a large extent and with a fair to average harvest should help buying power.

Progress is being made in connection with the company's plans for a branch plant in France and it is expected that this will be financed out of earnings, indicating a marked change in the company's financial position from a few years ago when bank obligations were well up into the millions.

The preferred issue is now regarded as being on a sound dividend basis with good prospects for a moderate dividend on the common in the not far distant future.

St. Maurice Valley to Acquire St. Lawrence?

MONTREAL. — Reports emanating from the city of Quebec indicate that pourparlers are in progress leading to the inclusion of the St. Maurice Paper Mills under the banner of the St. Maurice Valley Corporation.

Recently rumor said that the Donnacona Paper Company had also been approached, but this was denied by those close to the St. Maurice Valley consolidation.

WESTERN DEMAND MEANS A BONUS ON FARM LOANS

Not Satisfied With Rate to Cover Government's Costs

TOO MANY PRIORITIES

Loaning Institutions Have Little Objection to Government Competition as Long as All Conditions Are Equal

Special Correspondence.

OTTAWA.—With the success of the Progressive party in securing tariff reductions giving spur to their efforts, some of the Western members will apparently be content with nothing short of a government bonus in the proposed federal farm credits plan; in other words they are not satisfied with the proposal that "the interest rate shall be such a rate in excess of the interest payable on farm loan bonds as is sufficient to provide the expenses of operation." They contend that such a rate as implied by this condition fixing the charges at actual cost to the government would be as high or higher as that now charged by the loaning institutions and higher than the rate on government assisted loans in the United States. There promises, therefore, to be a test of strength when the bill comes up in the house to decide whether the government will be able to maintain its present proposals as set down in the bill.

The attitude of the loaning institutions is that they will not oppose the government's plan unless the measure provides for exemption from taxation and other charges as well as provincial statutory obstacles to which present nationally organized rural credit systems are subject, thus making it impossible for the latter to exist on a self-sustaining basis. John Appleton, secretary of the Dominion Mortgage and Investments Association, discussing the situation, points out:

"At the present time the farm mortgage institutions are not earning more than from 5½ per cent. to 6 per cent. upon the funds employed, which leaves them a very narrow margin of profit. If the government enters the field and subsidizes either the management or the provision of funds, competition will, of course, decline. Money will be withdrawn from the West as quickly as possible after it is found that it cannot be kept there on a reasonably remunerative basis. Already a number of companies have withdrawn from the prairies, or parts of them, because they have not been able to earn on capital employed any more than they can, or as much, by investments in government securities.

Too Many Priorities?

"The farmers have it in their power to reduce interest rates at any time. In the legislatures of the provinces they

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British Are Buying Up German Paper Mills

Special Correspondence.

OTTAWA.—An English M.P. who is active in the business world and who recently visited this country, said Britain and Germany are growing closer together, and he expected to see before long a special economic treaty with Germany. He said that British banks and industrial groups have been taking advantage of the bargains which the financial stringency in Germany affords. The Harrison group recently bought for the Inveresk Paper Co., of London, the Koholyt Co. for wood pulp and paper manufacture which previously belonged to the Stinnes group. The price is said to have been about 19,000,000 gold marks, though the real value of the tangible assets is said to be in the neighborhood of 52,000,000. It is said that several deals of the same nature are now under way. Germany has also made a trade treaty with France.

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The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

WARM RAINS END ANXIETY IN WEST FROM DRY WEATHER

Outlook in Nearly All Sections of Prairies Now Excellent

Crop reports received by The Financial Post from numerous sections of the prairie provinces state that warm rains have fallen over a wide area in all three provinces. This has ended the anxiety which existed a week or so ago on account of the lack of moisture and the prevalence of dry weather. The rain varies, according to the sections, from light showers to heavy downpours and as a result growing conditions are now stated to be excellent. Seeding is completed in many sections and the crops have made a very creditable start.

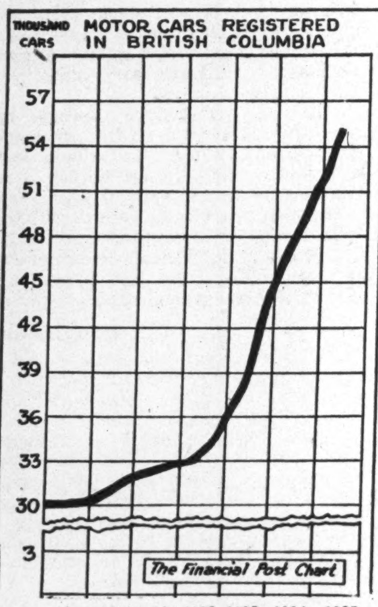
While the seeding of wheat has not been completed in all sections, it is reported as completed in a large number of districts where the seeding of coarse grains has either commenced or is to commence immediately. The prevalence of high winds has caused some soil drifting and had dried out the top-soil in sections of the south, but the danger from drifting is now almost past. Reports from Alberta are probably the most favorable of any, and it is stated that the crop outlook there is better than it has been for some years.

According to information compiled by the Dominion Government, the estimated area sown to fall wheat throughout the country has fallen by 13 per cent., from 861,873 to 753,073 acres. The amount winter-killed is 9 per cent. greater than last year, and is greater than for any year since 1918 when 52 per cent. was lost. The general condition of fall wheat at the beginning of the month, expressed as a percentage of the average yield per acre for the decade 1916-25 is 89 as compared with 100 last year. This is the lowest since 1918. Seeding operations in Ontario and Eastern Canada have been retarded by backward weather, and little can yet be said with regard to the prospects. In many sections of Quebec and the Maritime Provinces the fields are still covered with snow, and even where the snow has gone little work has been done on the land.

On the Pacific Coast, also, abundant rains have fallen just in time to save heavy loss from lack of moisture. Potato crops as well as the smaller berries were reported to be suffering seriously. This will be of immense value also to all branches of agriculture which is no longer a negligible item in the Coast Province as was the case some years ago. British Columbia's farm products were worth something like $45,000,000 last year, and the recent rains have been estimated at around $1,000,000.

Near-Boom Conditions in Pacific Coast Area

To say that British Columbia is experiencing a business boom may be something of an exaggeration, but there are many indications of boom conditions in building and in industry. With contemplated building amounting to more than $20,000,000 for the next few months in Vancouver alone, and with the first quarter of the year showing a high record of building, being more than double that of the first quarter of 1924, building operations are exceedingly active. Construction in Greater Vancouver during the first quarter was $1,233,515 greater than the first quarter of 1925. As already reported, the British Columbia Electric Company contemplates expenditures of $25,000,000 in development, within the province, during the next three years. This money will be spent on power sites, power lines, rail lines, gas mains, etc. Wages paid to industrial workers during the past three years have increased by $30,000,000, from $130,000,000 in 1922 to $160,000,000 in 1925, according to figures prepared by the provincial workmen's compensation board.



Real estate also has become very active during the past few weeks. Buildings and other properties are changing hands very rapidly and often at enhanced prices. There seems to be a greater amount of money available for spending and investing than has been the case for many years. This is partly home capital, but much of it is coming from abroad both from tourists and as investment capital. It has placed British Columbia second only to Ontario, if not first among the provinces, in per capita buying power. Automobile travel from the United States has shown enormous gains in the past few years, and domestic travel is increasing rapidly as well. The per capita automobile registration led all the provinces with one exception, there being a total of 56,618, or 10.1 to every 100 people.

Retail business in Vancouver and Victoria as well as in the smaller cities is reported to be on a very satisfactory basis. Demand for merchandise of almost all classes promises to be larger than ever during the balance of 1926. Lumbering operations are normal as are also most branches of the fishing industry. Increasing interest is being shown in mining in the north.

18 Per Cent. Rise in Automobile Output

The output of motor vehicles in the United States and Canada during April, as estimated by the National Automobile Chamber of Commerce was 449,173 cars and trucks, against 449,677 in March and 359,976 in April last year.

During the first four months of the year, productions was 1,590,074, an increase of 245,422 vehicles, or 18 per cent. over the corresponding period of last year.

Eight Per Cent. Rise in Freight Car Loadings

Freight cars loaded and received from connections during the first four months of the year were 8 per cent. greater than for the first four months of last year. The figures were 1,571,489 and 1,450,172, and the difference was due largely to grain and merchandise shipments. For the week ending May 1, loadings were slightly smaller than for the previous week due to a falling off in grain and livestock shipments chiefly in Western Canada. There was also a decline in forest products, especially pulpwood, in Eastern Canada. Merchandise shipments, the only group which measures general business, fell off in the West, but increased somewhat in Eastern Canada.

National Cash Register Reports Record Business

It is announced that the April business of the National Cash Register Company of Canada was the largest month in its history.

The National Cash Register Company will reward its hundred per cent. salesmen of 1926 with a trip via chartered steamer to Havana, Cuba. More than 600 sales agents and salesmen of the company from all sections of the United States and Canada are expected to make the trip. To qualify for the trip, a salesman must secure 100 per cent. or more of his yearly sales quota. Even at this early date, many members of the selling force have reached their annual quota.

Building in West Doubled First Four Months of Year

Enormous Increases Reported in Building Operations in Many Western Cities

Enormous increases continue to mark the records of building this year in various sections of Canada. April figures are 27 per cent. greater than those of last year and the total for the first four months of the year is 20 per cent. ahead of the total for the same time last year. The West was entirely responsible for the increase during April, permits in 16 western cities having exceeded those of last year by more than $5,000,000, while there was a slight falling off in Eastern Canada. For the three months also, the West was responsible for the gain, having almost doubled its record of last year. Following are the details:

BUILDING PERMITS ISSUED IN APRIL

Eastern Cities	April, 1926	April, 1925	Change	4 Months 1926	4 Months 1925	4 Months Change
Maritimes—						
Halifax	$ 26,995	$ 639,355—	$ 612,360	$ 79,245	$ 700,050—	$ 620,805
Moncton	52,505	60,855—	8,350	54,730	42,350+	12,380
St. John	41,400	410,530—	369,130	242,560	432,930—	190,370
Sydney	57,421	3,746+	53,675	72,871	9,121+	63,751
Quebec—						
Montreal	1,942,197	2,346,820—	404,623	8,429,542	6,427,083+	2,002,459
Outremont	532,650	425,500+	107,150	762,100	989,100—	227,000
Quebec	358,237	245,836+	112,401	536,863	381,841+	155,022
Sherbrooke	147,900	58,100+	89,800	172,400	118,600+	53,800
Three Rivers	174,675	597,225—	422,550	342,570	1,401,760—	1,059,180
Westmount	623,150	204,700+	418,450	1,021,850	458,225+	563,625
Ontario—						
Belleville	203,490	38,100+	165,390	220,040	57,435+	162,605
Border Cities	1,673,858	1,151,230+	522,628	3,071,333	2,336,530+	734,803
Brantford	10,425	15,127—	4,702	34,875	44,757—	9,882
Chatham	37,155	7,985+	29,170	96,305	13,985+	82,320
Fort William	55,220	265,720—	210,500	298,645	315,370—	16,725
Galt	54,320	28,160+	26,160	122,690	37,241+	85,449
Guelph	32,705	56,582—	23,877	89,995	121,432—	31,437
Hamilton	343,450	307,800+	35,650	883,750	845,350+	38,400
Kingston	59,049	133,954—	74,905	79,784	156,070—	76,286
Kitchener	160,212	299,058—	138,846	269,772	516,471—	246,699
Niagara Falls	120,150	94,105+	26,045	549,545	214,685+	334,860
Oshawa	11,957	82,790—	70,833	56,292	164,710—	108,418
Ottawa	178,715	740,771—	562,056	305,280	1,227,069—	921,789
Peterborough	14,730	55,734—	41,004	39,185	76,776—	37,591
Port Arthur	85,938	46,055+	39,883	150,563	58,490+	92,073
Sarnia	55,312	73,749—	18,437	155,544	220,620—	65,076
Smith's Falls	3,150	8,500—	5,350	3,150	13,275—	10,125
St. Catharines	91,070	119,452—	28,382	122,312	172,482—	50,170
Stratford	53,482	77,560—	24,078	67,333	179,505—	112,172
St. Thomas	30,410	14,711+	15,699	55,300	248,856—	193,556
Toronto	2,466,160	2,363,910+	102,250	6,870,320	7,127,851—	257,531
Welland	122,114	11,070+	111,044	142,069	18,315+	123,754
Woodstock	8,809	14,318—	5,509	17,282	24,398—	7,116
York Township	434,950	698,350—	263,400	1,112,950	1,387,100—	274,150
Total 34 E. cities	$10,263,961	$11,697,458—	$1,433,497	$26,529,045	$26,539,823—	$ 10,778
Western Cities						
Manitoba—						
St. Boniface	$ 33,708	$ 37,708—	$ 4,000	$ 104,114	$ 571,773—	$ 467,659
Winnipeg	5,261,350	772,400+	4,488,950	5,947,950	1,194,250+	4,753,700
Alberta—						
Edmonton	153,710	240,310—	86,600	474,175	309,515+	164,660
Lethbridge	10,915	25,448—	14,533	69,380	59,814+	9,566
Medicine Hat	10,330	5,340+	4,990	12,125	5,545+	6,580
Saskatchewan—						
Moose Jaw	22,525	11,025+	11,500	67,050	42,585+	24,465
North Battleford	Nil	Nil	......	Nil	Nil	......
Prince Albert	8,205	3,456+	4,749	15,650	7,375+	8,275
Regina	550,465	200,915+	349,550	824,859	257,090+	567,769
Saskatoon	242,905	104,770+	138,135	343,375	129,635+	213,740
Yorkton	700	15,475—	14,775	800	23,475—	22,675
British Columbia—						
Nanaimo	7,450	5,065+	2,385	37,475	28,080+	9,395
New Westminster	90,305	45,025+	45,280	229,530	126,675+	102,855
Point Grey	569,950	608,800—	38,850	2,065,050	2,050,800+	14,250
Vancouver	1,461,080	958,307+	502,773	4,043,145	2,625,257+	1,417,888
Victoria	65,430	25,301+	40,129	255,015	191,967+	63,048
Total 16 W. cities	$8,489,028	$ 3,059,345+	$5,429,683	$14,489,693	$ 7,623,836+	$6,865,857
Grand total 50 cities	$18,752,989	$14,756,803+	$3,996,186	$41,018,738	$34,163,659+	$6,855,079

Canadian Business Indicators

INDUSTRIAL

Car Loadings—

	1926	1925
Week of May 1	55,867	50,404+10.9%
Year to date	935,211	876,462+ 6.7%

Grain Receipts—

Aug. 1 to April 30	338,032,196	226,921,089+49.1%

Building—

4 months	$41,018,738	$34,163,659+ 20%

Railway Earnings—

3 Months—	1926	1925
C. P. R.	$40,344,958	$ 36,614,770+10.1%
Oper. Exp.	33,813,891	32,759,089— 3.2%
Net	6,531,067	3,855,681+69.4%
3 Months—		
C. N. R.	$57,004,263	$51,436,454+10.8%
Oper. Exp.	49,866,376	48,916,204+ 1.9%
Net	7,137,887	2,520,250+183.2%

Pig Iron Output—(tons)

Mar., 1926	Feb., 1926
53,251	49,746+ 7.1%

FINANCIAL

Bank Clearings—

	1926	1925
April	$1,467,421,291	$1,277,909,528+14.8%

Savings Deposits—Chart. Banks—

March	$1,337,573,158	$1,266,231,798+ 5.6%

Current Loans—By Banks—

March	$900,379,266	$917,645,337— 1.8%

COMMERCIAL

Balance of Trade—

12 months, Mar. 31—	1926	1925
Exports	$1,315,192,791	$1,069,067,353+23.0%
Imports	927,323,625	796,932,537+16.3%
Balance	387,869,166	272,134,816+42.5%

Wheat, No. 1 Nor., Winnipeg—

1926 May 10, $1.61 — 1925 May (Av.) $1.82

Cattle—(Good, Toronto)

May 10, $8.00 — May (Av.) $7.48

Hogs—(Select, Toronto)

May 10, $12.50 — May (Av.) $12.58

THE ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter, 1727.

Capital (fully paid) £2,500,000
Rest or Reserve Fund, (Oct., 1925) £2,464,704
Deposits (Oct., 1925).....£40,790,229

Governor:
His Grace the DUKE OF BUCCLEUCH AND QUEENSBERRY, K.T.
Deputy-Governor:
Rt. Hon. the EARL OF STRATHMORE AND KINGHORNE, G.C.V.O.

HEAD OFFICE: EDINBURGH
General Manager—A. K. Wright, C.B.E., D.L.
Secretary—J. B. Adshead.
LONDON CITY OFFICE: 3, Bishopsgate, E.C. 2.
LONDON (WEST END): DRUMMONDS BRANCH, 49, Charing Cross, S.W. 1.
GLASGOW (PRINCIPAL) OFFICE: Royal Exchange Square and Buchanan St.

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Correspondence invited.

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This Bank makes a feature of its collection service. This means that your drafts will be forwarded promptly, presented promptly and followed up until the credits appear in your bank account.

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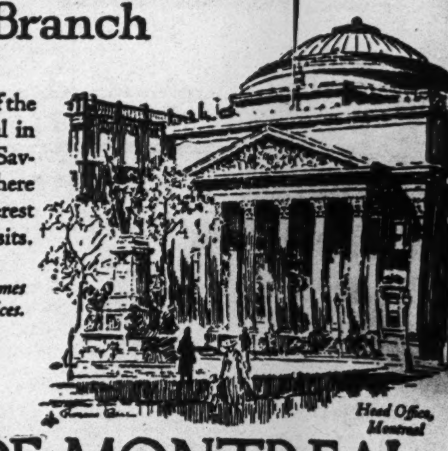
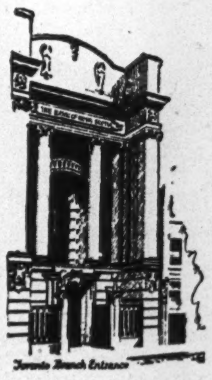


BANK OF MONTREAL
Established over 100 years



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Established 1832.

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Total Assets $232,000,000.

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A General Banking and Foreign Exchange Business Transacted.

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THE STANDARD BANK OF CANADA
ESTABLISHED 1873
Head Office 15 King Street W. Toronto.

Consumers' Gas

An Attractive, Well Guarded Investment

By J. W. Tyson

WITH a dividend return to the shareholder fixed at 10 per cent. under its charter, the common stock of the Consumers Gas Company is chiefly attractive to the conservative investor. At the current price of 177 the return to the holder is 5.65 per cent.—and that return has every reasonable assurance of stability. But in addition to this fair return on the investment there are offered opportunities from time to time to share in the capital needs of the company at more favorable rates. At the present time the company is raising an additional $2,000,000 of capital and shares are being distributed on the ratio of one new share for each five shares held. The new stock is being sold at $150, showing a return of 6.66 per cent. That the benefits which shareholders have received as the result of these opportunities to buy additional shares have been material, and that they are likely to continue with the growth of the company in the future, is indicated by the following summary showing the capital expansion of the company since 1887:

Capital Stock

Date sold	Amount	Aver. price realized
Previous to 1887	$1,000,000	$100
July, 1887	200,000	180.32
July, 1889	125,000	176.60
August, 1889	175,000	175.10
April, 1891	100,000	168.25
October, 1893	100,000	183.04
October, 1900	50,000	215.47½
May 28, 1903	50,000	209.15
November 4, 1903	100,000	192.86
June 29, 1904	100,000	200.00
Dec. 6, 1904	250,000	210.00
April 3, 1906	250,000	200.75
June 6, 1907	300,000	190.66
Dec. 12, 1907	450,000	180.44
Jan. 19, 1909	250,000	203.91
April 4, 1910	500,000	199.99
April 18, 1911	384,500	192.64
June 26, 1913	340,500	166.84
Dec. 15, 1913	157,000	161.95
Allotted May 21, 1917	478,700	at 150.00
Sold by tender Jan. 5, 1921	639,300	758.983
Allotted Feb. 3, 1923	2,000,000	at 135.00
xAllotted Feb. 3, 1925	2,000,000	at 140.00
To be allotted June 23, 1926	2,000,000	at 150.00
	$12,000,000	

xRights to subscribe expired March 21, 1925.

Market stability for the investor is indicated by the price record of the stock. The fluctuations shown in the following summary will be found to reflect the trend of the investment market rather than any change in the prospects of the shareholders as regards the payment of the fixed dividend:

Market Record

	High	Low
1912	196	189
1913	191	165
1914	180	169
1915	185	176
1916	176	160
1917	165½	147
1918	153	144½
1919	152	138
1920	150	125
1921	x75	x65
1922	q160	x72
1923	163	150½
1924	170½	159
1925	177	164
1926 to date	183⅞	174½

xQuotation "Dollars per share" instead of "percentage."
qNew stock of $100 par.

That the investment features of the stock are appreciated to a growing extent by Canadian investors, is reflected in the following summary showing the growing number of shareholders since 1873:

Shareholders

Year	No. of Shrhldrs.	Shrs of $100 par	Average Holdg. per Shrhldr.
1873	219	6,000	27.4
1883	317	10,000	31.5
1893	489	16,000	32.7
1903	664	18,000	27.1
1913	1,599	47,250	29.5
1923	2,437	80,000	32.6
1925	2,751	100,000	36.3

And this confidence in the company finds justification in the following record of earnings for the past twenty years:

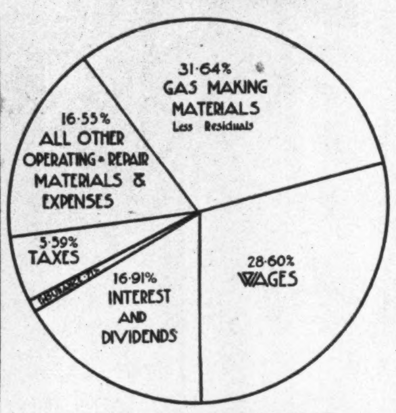
Earnings Growth

The table of gross and net earnings in a period of years follows:

	Gross	Net
1925	$6,623,340	$1,550,924
1924	6,615,044	1,402,540
1923	6,883,353	1,384,704
1922	6,813,939	1,478,274
1921	7,214,881	1,540,932
1920	6,426,896	1,240,274
1919	5,506,215	965,917
1918	5,095,006	776,665
1917	4,296,349	953,306
1916	3,637,805	919,576
1915	3,440,008	865,380
1914	3,577,982	944,949
1913	3,203,310	841,981
1912	2,464,368	718,134
1911	2,214,873	697,006
1910	2,070,691	754,760
1909	1,737,000	604,083
1908	1,587,362	556,822
1907	1,363,400	455,360
1906	1,241,830	500,952
1905	1,095,650	412,259

Benefits of Real Service

Some interesting statistics have been compiled showing how the efficiency of the Consumers Gas Company in productive operations has benefited the citizens of Toronto, as well as shareholders. During the period of rising costs which started with the war, the price of gas to the consumer reflected in but a small way



CONSUMERS' GAS DOLLAR
Showing how the company's income from gas sales is paid out in raw materials, wages, taxes, insurance and interest, and dividends, on capital employed.

the higher market prices for materials going into the manufacture of gas and higher wages of labor employed in the process. Thus, relative to other important factors in the cost of living, gas continued cheap throughout the period of high prices —and so continues. In fact to its general cheapness for both domestic and industrial purposes can be laid the constantly increasing market for the company's product.

The following figures show how the price of gas has been kept low in relation to material and labor costs. In 1921, for instance, the relative cost of coal had risen to 252 per cent. of oil to 323 per cent and of labor to 201 per cent. and yet the price of gas had advanced to only 162 per cent. Since 1921 commodity prices have declined but the benefits have been immediately extended to the gas users:

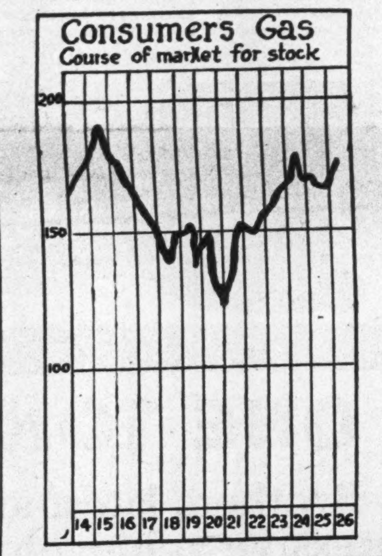
Relative Increases in Costs and Price of Gas

	Gas Coal	Anthracite	Gas Oil	Labor	Price of Gas
1910	100.0	100.0	100.0	100.0	100.0
1911	102.6	100.0	91.4	100.0	93.3
1912	102.6	99.4	91.2	100.0	93.3
1913	103.1	100.4	92.6	100.0	93.3
1914	107.1	100.4	95.2	100.0	93.3
1915	106.6	95.4	121.2	100.0	93.3
1916	107.1	102.4	111.1	104.0	93.3
1917	133.4	108.4	164.1	125.0	100.0
1918	179.4	127.4	224.7	147.0	113.1
1919	177.7	156.4	232.3	173.0	121.2
1920	196.9	181.8	287.9	194.0	137.5
1921	252.6	227.4	323.2	201.0	162.9
1922	260.3	220.6	212.1	201.0	153.9
1923	218.6	215.3	237.4	201.0	138.0
1924	209.1	221.2	237.4	201.0	135.8
1925	178.0	215.3	232.3	201.0	132.8

How the price of gas has been maintained at comparatively low levels as compared with other factors entering into the cost of living is illustrated in the following interesting and revealing summary:

Increases in Necessaries of Life Compared with Price of Gas

	Rent	Fuel and Light	Food	Weighted Average	Price of Gas
1910	100.0	100.0	100.0	100.0	100.0
1911	100.0	101.1	102.6	101.5	93.3
1912	113.6	103.4	111.5	111.0	93.3
1913	117.3	108.5	110.8	112.6	93.3
1914	106.7	104.5	112.3	109.3	93.3
1915	97.5	104.5	117.2	108.9	93.3
1916	97.8	104.5	126.9	114.1	93.3
1917	103.0	125.5	178.5	146.0	100.0
1918	114.6	161.4	195.1	163.8	113.1
1919	126.4	179.0	209.7	177.9	121.2
1920	154.1	201.7	243.5	208.1	137.5
1921	171.6	238.0	201.4	196.8	162.9
1922	181.5	202.2	161.8	174.0	153.9
1923	181.2	211.3	159.4	174.0	138.0
1924	181.2	210.2	158.8	173.5	135.8
1925	181.2	207.4	160.5	174.0	132.8



The manner of distribution of the company's income is indicated in an accompanying chart showing the cost of capital to be very small compared with other costs in the manufacture of the company's products.

The charter of the Consumers Gas Company dating back to 1848 is designed for the protection of both the shareholders of the company and the community which it serves—and it has consistently lived up to that purpose. The conditions of operation under the charter may be summarized as follows:

The company is required to set aside all premiums realized on the sale of capital stock to the credit of a rest or reserve fund, which may be drawn upon to meet dividend disbursements after payment of certain limited minor charges in the event of net profits in any year proving insufficient to meet requirements. Any amount so withdrawn may be restored out of earnings. The dividend payable is fixed by statute at 10 per cent. per annum. If in any year net earnings are below the amount required for individual disbursements the accumulated reserve fund may be drawn upon to make up the deficiency. The company may then increase the price of gas sufficient to yield revenues adequate to replace the reserve fund and pay the regular 10 per cent. dividend. If in any year net profits exceed amount required to pay the 10 per cent. dividend on capital stock, maintain the reserve fund, make authorized payments to renewal fund and pay directors' fees, the surplus must be credited to a special surplus account applicable to a reduction in the price of gas to consumers when the amount is equal to 5 cents per 1,000 cubic feet on the quantity of gas sold during the preceding year.

The Consumers' Gas Company seems to have an unlimited future so far as its field as a public utility is concerned. Turning back the pages of history, we find that back in the early days the production of illuminating gas was practically the sole activity of the gas company. When, in the days of depression about 1860, the city of Toronto decided to turn off some of the street lights on moonlight nights, and the number of tavern licenses was reduced, the effect on the earnings of the company was a matter for serious consideration by the officers and the shareholders. About that time, too, the increasing use of coal oil for illuminating purposes was found to be interfering with the consumption of gas. To-day it has been estimated that there are over 60,000 uses for gas, and, as has been previously shown, the demand has continued to increase year after year despite the introduction of electricity which has to a great extent supplanted the gas company in the field in which it was originally established—that of illumination.

Looking to the future the new possibilities appear to be in the field of residential heating. The limitations here depend very largely upon costs, but it is significant that in some cities across the line the method of piping fuel to an easily controlled and absolutely clean furnace is already being adopted by a large number of householders.

Then in industry the uses for gas continue to increase from year to year. It has been said on good authority that there is not an industry that to-day is not using gas somewhere. In fact the third largest customer of Consumers Gas Company uses gas for the manufacture of electric lamps.

COMPARATIVE PROFIT AND LOSS STATEMENT FOR THE YEARS ENDED SEPTEMBER 30, 1924 AND 1925

	1924 % of Gross Earnings	1924	1925 % of Gross Earnings	1925	Increase or Decrease
Gas sales	77.88	$5,152,129.34	76.69	$5,079,433.48	$72,695.86
Residuals produced	16.80	1,111,591.15	17.87	1,183,708.87	72,117.72
Merchandise sold, rentals, etc.	5.09	336,407.99	5.26	348,624.53	12,216.54
Miscellaneous revenue	.23	14,916.50	.18	11,579.02	3,337.48
Gross earnings	100.00	$6,615,044.98	100.00	$6,623,345.90	8,300.92
Deduct:					
Production, distribution expenses and taxes	78.80	5,212,504.60	76.58	5,072,421.91	140,082.69
Gross profit	21.20	1,402,540.38	23.42	1,550,923.99	148,383.61
Deduct:					
5% charges for repairs and renewals	9.58	634,234.86	10.73	710,280.78	76,045.92
Net earnings	11.62	768,305.52	12,69	840,643.21	72,337.69
Add:					
Int. on investments, etc.	.66	44,290.57	.86	56,883.71	12,593.14
	12.28	812,596.09	13.55	897,526.92	84,930.83
Deduct:					
Interest charges	.06	3,999.98	.37	24,673.77	20,673.79
Dividend 10% on par value of stock	12.07	798,740.82	13.52	895,176.32	96,435.50
	12.13	802,740.80	13.80	919,850.09	117,109.29
Surplus—Deficit	.15	9,855.29	.34	22,323.17	32,178.46

It will be noticed that there was a deficit of $22,323.17 for the year ended September, 1925, as compared with a surplus of $9,855.29 for the previous year. This deficit of $22,323.17 was deducted from the Special Surplus Account, reducing it from $226,030.33 to $203,707.16.

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Between Grand Central and Penn Terminals.
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—*writes a Hardware Merchant*
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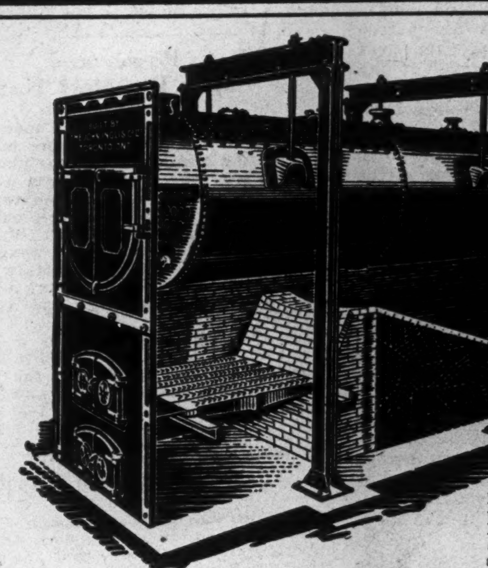

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MONTREAL OFFICE 189 St. James Street — Established 1901 — E. R. WOOD, President — LONDON, ENG., OFFICE No. 6 Austin Friars

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The Securities Markets

BRITISH STRIKE COVERED TREND OF LIQUIDATION

Effort to Rally Market on Settlement Had Little Effect

Market Indicator

	High	Low
20 Industrial Stocks		
Week of May 12	89.8	87.7
Week of May 5	90.6	87.3
Mth. of May, 1925	78.2	71.7
9 Bank Stocks		
Week of May 12	$222	$221
Week of May 5	224	221
Mth. of May, 1925	206	203
10 Public Utilities		
Week of May 12	92	91
Week of May 5	93	91
Mth. of May, 1925	85	81

The British strike has been the chief influence in the stock markets during the past week. But it has been an influence more evident from the outside than from the inside so far as its actual effects are concerned. In view of the slump in prices with the announcement of the strike it was pretty generally predicted in investment circles that a clearing of the air would be followed by a rally. When the good news came on Wednesday that the general strike had been called off the markets developed a measure of strength and advances were in order. However, it soon became evident that advantage was being taken of the situation to liquidate many of those securities in a technically weak position. New York supplied the lead in this connection and the Canadian markets followed that lead. Speculative favorites like General Electric in New York and Consolidated Smelters in Canada opened up about five points on Wednesday and then proceeded to sell off to the level of the previous day. With narrower spreads, many other stocks likewise rose temporarily and then sold off.

The performance of the market in the face of the news of the strike settlement would seem to indicate that the strike had been the excuse rather than the reason for the recent liquidation; in other words that there has been selling on account of the general weakening in the business position and this was attributed to the British developments. It would now seem that the strike had occurred at a time when an effort was being made to rally some of the leading speculative stocks in Wall Street and that it had had the effect of discouraging this effort leaving the market to resume the general downward trend which has been in evidence, with recurrent rallies, since the big break in the market early in the year.

With the settlement of the strike the markets are again in a better position to discount the trend of domestic business developments. Opinions differ as to the probable extent of the business reaction which is now beginning to make itself evident in such events as the falling off of more than 500,000 tons unfilled orders of the United States Steel Corporation and the curtailment of output of some of the motor car companies which this spring established new records for shipments of cars. The business reaction in the United States is now accepted as a reality, but there are those who believe that any decline has been more than discounted already by the Wall Street slump and they argue that, with limited stocks of goods in the hands of dealers and a plentiful supply of money, business will soon recover. On the other side is the contention that the strike had the effect of disposing of hopes for a spring market rally and that the downward trend will not be continued through the summer. Supporting this view is the argument that, although security prices have declined materially from their high levels, they are still high relatively and that they will have to come down considerably farther before they will become attractive to any large body of investors on the basis of yield.

Although there is no indication of a reaction in business in Canada, and the belief is held that the market advance has been checked by the depression in New York rather than any actual change in the situation here, there is no great optimism for a resumption of the advance at this season. The strike it is felt came at a time when a buying movement might have been looked for and, that it, for the time being at least, checked the advance movement. However, there are large supplies of money offering for investment and it is obvious that there are prices being quoted now much more attractive from the investment standpoint than they were a few months ago.

The following summary indicates the trend of the movements in Canadian stocks during the week:

	Gains	Loss	Unch.	Ttl.
Banks	2	6	1	9
Paper	1	7	8	16
Steel	4	10	11	25
Foodstuffs	10	6	15	31
Utilities	7	7	6	20
Tractions	3	2	7	12
Textiles	1	5	7	13
Industrials	10	15	17	42
Totals	38	58	72	168

New Brunswick Power Pays Interim Dividend

From Our Own Correspondent.

MONTREAL. — The board of directors of the New Brunswick Power Company have declared an interim disbursement of 1 per cent. on the first preferred stock, payable June 1 next. This is the first return which the stockholders have had on their shares during the past year.

In 1925 it become necessary to pass the 7 per cent. dividends on the first preferred stock because earnings were falling off. During 1924 earnings available for dividends amounted to $3.61 per share whilst in 1925 the net was lower at $3.01 per share.

Spruce Falls Power and Paper Directors Named

Spruce Falls Power and Paper Co., which will erect a 500-ton paper mill at Kapuskasing and a large power plant at Smoky Falls, has completed its organization as follows: F. J. Sensenbrenner, president; J. H. Black, vice-president and general manager; Ernst Mahler, secretary, and J. C. Kimberly, treasurer. In addition, the following directors were elected, making a total of seven: Adolph S. Ochs, Julius Ochs Adler, and Arthur Hays Sulzberger.

The company entered into a long-term contract with the New York Times Company for the supply, on the completion of the mills, of its newsprint paper.

National Brick Company To Rearrange Capital?

From Our Own Correspondent.

MONTREAL.—It is rumored, though not officially confirmed, that the management of the National Brick Company of La Prairie is considering the development of some plan whereby the company might arrange some compromise with the preferred shareholders with regard to the payment of dividend arrears.

The dividend arrears exceed $776,457, which is considerably more than the company has earned on its preferred stock over the last three years.

In 1925 the preferred shares sold as high as 79½; but recently there have been sales at 62. The market trend, therefore, adds strength to the current rumors. It would not be surprising to see a proposal by the management somewhat along the lines recently made to the preferred shareholders of the Canada Steamship Lines.

At one time it was thought that three of the brick companies would merge; but efforts along these lines did not meet with the anticipated result, for the Citadel Brick Company of Quebec rejected the offer made. The latter company is a low-cost producer, and its situation gives it a great advantage in the lower St. Lawrence markets.

DOMINION IRON

The effect of the recent slump in the securities of the Besco British Empire Steel combination is indicated by the fact that Dominion Iron which sold up to 24¾ in March declined to a low of 7 in April and has not since been traded.

No Compromise in Security Values

DEMAND STERLING REPORTS
CERTIFIED REGISTERED PROFESSIONAL ENGINEERS
Sterling Appraisal Company Limited
9-11 E. Wellington St. Toronto

COMPANIES CLASH IN SECOND CUT BY CAN. CEMENT

Prices Now at Low Level — Outcome is Obscure

From Our Own Correspondent.

MONTREAL. — Following a price reduction of 35 cents a barrel a month ago, the Canada Cement Company has again reduced the price in this province by 25 cents per barrel; thus making a total cut of 60 cents within the last few weeks.

This means that the price of cement in the Montreal district is down to $1.15 per barrel, net, which is probably the lowest price which has prevailed since the merging of many weak companies under the aegis of the Canada Cement Company seventeen years ago. The further cut indicates clearly that the war being waged between Canada Cement and National Cement is being fought out tooth and nail. Because of the freight rate situation, it would appear that the cut in this territory must be followed by a cut in Ontario prices, where, it is understood, two cuts have already been made this season, one of five, and another of ten cents. Naturally, because of the cost of shipping, prices will not be reduced to as great an extent in that province as has been done here.

It has been said that the further price reduction will result in a certain amount of cement manufactured in this province finding its way across the United States border.

What the outcome of the cement war will be remains obscure. The final result — should hostilities be continued—is too far in the future and consequently financial prophets are making no forecasts on the outcome of the clash between the two participants. One thing seems apparent and that is that both companies must be losing money in the fight.

Judged on the results attendant on the "beer war" here, there appears little chance of production being curtailed to any degree by either of the operators—possibly the low cement prices prevailing at present may tend to encourage consumption and thus the producers may make up a little of their losses by the increased sales.

Bank Stocks Have Been Easier in Recent Trading

The bank stocks have recently shown a disposition to move to lower levels. This trend was to be expected in view of the strength which had been consistently displayed over a considerable period. Two reasons may be suggested for this change in the trend. First, there is the feeling uncertainty regarding the future trend of business reflected in the action of the more speculative industrial securities. Second, there is the general trend of investment values.

Business Drops Off for Canadian Sugar Refineries

From Our Own Correspondent

MONTREAL.—For the four weeks' period, ending April 24, the total sugar manufactured amounted to 71,623,645 pounds, as compared with 77,213,858 pounds last year. There has also been a decline in the total manufactured from the beginning of the year to April 24; this total amounted to 281,362,808, as compared with 291,659,015 pounds last year.

The exports of Canadian sugar refineries also fell off during March; the amount exported totaled 32,938,400 pounds, as compared with 38,200,200 pounds in March, 1925.

Algoma Steel Company Operating at Capacity

With 2,300 men actively employed at the Algoma Steel Company plant, the steel-making outfit of the concern is now at capacity, and there is reason to believe that the present orders will be augmented during the month. In addition to the rail orders now being turned out, there is somewhat of an increase in the demand for automobile steel, more than the usual amount of this tonnage being manufactured just now.

The plant is also working on bridge steel for the South Shore bridge at Montreal. This order was placed but recently with the Algoma Steel Company. The opening of navigation has provided an outlet for the C. N. R. rails, which were being rolled at the mills, and these are now being delivered by the water route to Fort William.

Canadian General Electric Reports Better 1st Quarter

During the first quarter of this year Canadian General Electric booked orders somewhat in excess of the first quarter of last year for practically all of its products, including electrical apparatus, appliances, incandescent lamps and mechanical equipment. This distribution is a very encouraging aspect of the situation, and, furthermore, helps to balance the load factor and increase employment in the various manufacturing plants, according to President D. C. Durland.

Sales bills, from which the company's profits are derived, for the first quarter of 1926 are considerably ahead of the corresponding period of the preceding year. This has resulted largely from shipments of electrical machinery for which orders had been booked in the latter part of 1925.

The company has booked some interesting orders, such as large generator equipment for the International Paper Company's development at Farmers' Falls, new generators for the Manitoba Power Company, and only in the past few days a contract was closed for the delivery of four large electric paper machine drives for the International Paper Company's new mill on the Gatineau.

The company's common stock sold in Toronto at 47 at the end of April, compared with 51 at the first of the year and the preferred has been selling at 56 or practically the same as at the first of the year, although it touched as high as 60 in February.

Textiles

CANADIAN COTTONS' REPORT IMPROVED

Textile Companies' Operations Are Curtailed in This Quarter

From Our Own Correspondent.

MONTREAL.—The annual financial report of Canadian Cottons, which will make its appearance shortly, will show that sales for the fiscal year ending March 31, 1926, were considerably increased as compared with the preceding year.

The increase in the volume will also be reflected in the company's income account whose figures, it may be anticipated, will show a slight betterment over 1925.

At the moment, the outlook for the textile companies during the present quarter is not as bright as it was at this time last year. The mills are operating around 70 per cent. full time, whereas last year most of the cotton mills were operating about 90 per cent. full time.

It is thought that the late spring has had something to do with lack of demand for cotton textiles, particularly in Ontario and Quebec, where, until recently, many of the roads have been impassable and it is anticipated that with improved weather conditions, the demand, especially from the rural sections, will show a marked improvement.

Dominion Combing Mills May Benefit From Strike

While the business of Dominion Combing Mills so far this year has been on a favorable basis and a fair margin of profit has been established, shareholders, it is understood, should not look forward to anything in the financial statement for 1925 that would indicate a possibility of dividends. The operations of the company, while satisfactory so far as volume is concerned, were not profitable to any extent, as the wool market was very erratic and buying often resulted in losses that wiped out profits in other operations.

Should strike conditions continue in England, Dominion Combing Mills may secure some increased business. Canadian mills using wool imported from England are now showing an interest in the possibilities of securing supplies of domestic wool.

Stanfield's Now Making Artificial Silk Products

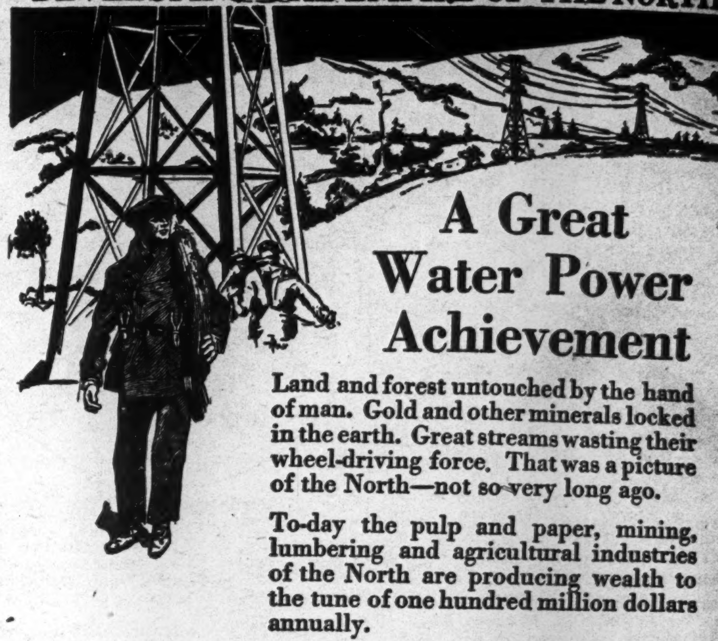
TRURO.—In 1922 Stanfield's, Limited, made preparations for an extension of the plant at Truro. Part of that extension is now completed and equipped, and is actually turning out artificial silk underwear—an absolutely new departure for Nova Scotia. The silk used will be known as "Nova Silk," and when completed the plant will turn out 100 dozen garments daily. Now it is operating on one quarter its full capacity. It will cost about $400,000 to complete and equip this extension.

Barnjum to Award Prizes to Efficient Forest Rangers

Frank J. D. Barnjum, active protagonist of the pulpwood embargo and ardent advocate of the save-the-forest activities, has made an offer to the chief forest rangers of Nova Scotia of $1,000 in cash prizes to be distributed among the three chief rangers who make the best showing in fire prevention for the season of 1926. One single slip on the part of a forest ranger, Mr. Barnjum points out, may let loose a forest fire that may cause serious damage. On the other hand, good, faithful work will very quickly show results.

In deciding upon the awarding of the prizes, the fewer in number and small areas of fire that have occurred in the district will naturally play an important part. It is Mr. Barnjum's hope that the first prize will be awarded to a chief ranger who can show a clean slate in regard to forest fires in his district, but organization of sub-ranger patrols, technical reports and general conduct of the service will also be taken into consideration.

DEVELOPING THE EMPIRE OF THE NORTH



A Great Water Power Achievement

Land and forest untouched by the hand of man. Gold and other minerals locked in the earth. Great streams wasting their wheel-driving force. That was a picture of the North—not so very long ago.

To-day the pulp and paper, mining, lumbering and agricultural industries of the North are producing wealth to the tune of one hundred million dollars annually.

Water Power—DEVELOPED WATER POWER—is of course the vital factor of all Northern production and prosperity. Practically every ounce of gold, every ton of pulp, every roll of paper that comes out of this region has been dependent for its production upon the power plants that have been developed on the rivers of the North.

Developed Water Power is making available to the nation the wealth of the North.

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A one ton truck embodying entirely new ideas in design and balance and selling at an astonishing price.

Extraordinary purchasing power and vast production made the G-BOY possible.

Largest exclusive truck manufacturers in the world, Graham Brothers buy and build in enormous volume.

The price and quality of the G-BOY illustrate the extent to which buyers benefit by this volume and its resultant economies.

The G-BOY is the most important contribution in years to the cause of *Better Transportation at Lower Cost.*

A new system of weight distribution effects a revolutionary improvement in balance.

The compact wheelbase facilitates ease of handling and yet affords unusually generous body capacity. The truck is gracefully low, with steel spoke wheels and 30 x 5 truck type cord tires.

Dodge Brothers engine is the standard power unit, with a new heavy transmission that has proved its quality in greater capacity types.

The entire truck, in fact, is built to out-live and out-perform trucks costing hundreds of dollars more.

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GRAHAM BROTHERS TRUCKS

SOLD BY DODGE BROTHERS DEALERS EVERYWHERE

Public Utilities

O.B.U. TRYING TO CAUSE WINNIPEG RAILWAY TROUBLE

But Public in No Mood to Tolerate Another Strike

WINNIPEG.—Some concern is entertained by executives of the Winnipeg Electric Company over the prospect of a strike by their employees who announce their determination to remain members of the One Big Union—an organization which the employing company declines to recognize, announcing that it will recognize an international union.

The company took its stand against the O. B. U. following a series of newspaper advertisements published by the street railway unit of that body criticizing the company. The railwaymen voted to remain within the O. B. U., and applied to Ottawa for a board of conciliation.

Such a board can only be granted, however, in cases where a strike vote has been taken. Such a vote was taken, on Sunday, and resulted in an overwhelming majority for a walk-out. Now it appears likely that the strike may actually come into effect, although the vote was taken largely as a necessary formality.

The outspoken representatives of the men are, R. B. Russell, the first of the men convicted in the strike trials of about six years ago; C. A. Tanner, a radical member of the Manitoba legislature and former employee of the Winnipeg Electric, and Alderman Herbert Jones.

The situation is not regarded as serious, although somewhat complicated by the recent developments. The attitude of the public towards the O. B. U. during the big strike of several years ago was not such as to encourage a demonstration at this time when the people are in anything but the humor to allow a few trouble-makers to upset the course of improving business.

Winnipeg Electric stock has been somewhat easier recently but nothing to indicate apprehension of a tie-up.

BELL TELEPHONE SAG DUE TO RATE INQUIRY

Counsel for Company States Present Rates Would Not Allow Any Profits

Further weakness in Bell Telephone has brought the stock down by a four-point drop to a new low of 131 on offerings of less than 300 shares. The weakness is connected by the street with the unsettling effect of the rates discussion.

In the hearing of the application for rate increases before the board of railway commissioners this week, an immediate increase was asked on the condition that it should be subsequently adjusted in accordance with the final decision reached. In his argument for allowing the new interim rate, F. H. Phippen, K.C., counsel for the company, stated that the company was actually working at a loss; that after paying the 8 per cent. dividend, which has been accepted as equitable, it would run behind $1,500,000 on the year's business, whereas, with the increase, it could not more than recover the $400,000 already behind since January 1 and pay the dividend. Colonel Geary, opposing the application, replied that the estimated shortage was based on a number of items in the system of bookkeeping, such as amounts charged to depreciation, etc., which his clients claimed were erroneous, and he asserted that when the company's figures were analyzed and its witnesses cross-examined, the alleged shortage would more than disappear.

It was further alleged by opposition counsel that on the last application made to the board some three years ago to increase rates, similar statements of loss were made, but in spite of the failure at that time to secure such increase, the company's stock had increased in value, and its subsequent annual statements had shown surpluses even after all dividends had been paid in full.

Barcelona Shareholders Hoping For Dividend

Barcelona Traction common, which sold up to 30 last year and at 28½ prior to the British strike, has recently sold down to 26, but has been quoted more firmly on the appearance of better news as to the British situation. The stock is very largely held in England. The recent reports of earnings have been less satisfactory from the speculative standpoint. A substantial increase is being shown over a year ago, but the latest returns indicate a smaller ratio of increase as compared with the earlier months of the year.

If the improvement in the company's showing can be maintained it is anticipated that something may be done in regard to dividends during 1927.

Brazilian Traction Meets Good Demand on Market

In view of the general trend of the market, Brazilian Traction has been acting very satisfactorily in the recent trading. Increase in the exchange value of Brazilian milreis over the past eight months is a very encouraging factor. Another satisfactory feature of the situation is the better supply of power in the Sao Paulo district. During a large portion of 1925 the power supply was adversely affected by an unprecedented drought.

Recurrently, with renewed buying demand for this very popular speculative security, there is talk of another increase in the dividend rate—from 5 per cent. to 6 per cent. Such talk is perhaps over-optimistic and tends to discount the future in an unwarranted way, but a continuation of such improvement as the company has already experienced would undoubtedly result in a larger distribution to the shareholders in the future. Back before the war the stock was on a 6 per cent. basis and at that time made its market record, selling above par.

B.C. Electric Co. Buys New Westminster Gas Plant

VANCOUVER.—The British Columbia Electric Railway Co. has acquired the plant of the New Westminster Gas Co. and will in future supply this commodity to the residents of the Royal City. The transaction marks the passing of one of New Westminster's early industries, although the plant will continue to be operated and will be improved.

The New Westminster Gas Co. was incorporated about 1860 soon after New Westminster acquired the status of a city. Mr. James Cunningham was the first president and was the principal owner. He owned nearly all the qualifying shares and since his death a few months ago the plant has been operated by the estate.

The gasworks has about twelve miles of mains in New Westminster. A few years ago a plebiscite was submitted to the ratepayers for the purchase of the industry. The proposal carried but the scheme never reached fruition.

Hamilton Street Railway Voted a New Franchise

By a vote of nearly 15,000 to less than 5,000, the people of Hamilton have decisively endorsed the proposal to renew the franchise of the Hamilton Street Railway Co. The railway is the property of the Dominion Power and Transmission Co., and the vote has the effect of clearing the air in regard to the future of this important subsidiary.

The electors were asked to extend the franchise of the company for 25 years. The five-cent fare will remain in force for a specified period when the company, in order to increase its fare, will have to secure permission to do so from the Ontario Railway Board. The company gets an exclusive franchise. Jitneys will disappear a few months hence. Motor buses will be established by the company to act as feeders in outlying districts and as an auxiliary service on certain arterial streets. The company will spend a substantial sum during the next four or five years improving its service.

Stock Market Record

WEEK ENDING MAY 11

	Div. Rate	Yield May 10	High for wk.	Low for wk.	Close May 11	Close May 4	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.90	221	217	219¼	219	139	226	214
Dominion	12+1	6.07	214½	214	214	215	35	219	213
Can. Nationale	10	6.36	157	157	157	157	39	170	157
Imperial	12+1	6.46	201½	200	201½	200	274	215½	200
Montreal	12+2	5.44	258	257	257½	258	103	268	251½
Nova Scotia	16	5.52	287½	287½	287½	289¾	10	300	281
Royal	12+2	5.60	250⅝	250	250½	251	321	255⅛	248
Standard	12	6.09	197	196½	197	196½	29	200	195
Toronto	12	5.55	216	215	215	215	26	222	213
Paper—									
Abitibi com. (no par)	4	5.49	73	72	72½	73	1212	85½	71
Do. pref.	7	6.36	..	...	...	...	...	116	110
Abitibi com. (new)	.	....	22	22	22	...	95	22	22
Do. pref. (new)	.	....	68¼	68¼	68¼	...	160	68¼	68¼
Belgo-Can. com.	6	6.00	..	...	...	...	...	100	100
Do. pref.	7	7.10	98½	96	97	98	486	101	95¾
Brompton (no par)	.	....	30¼	29¾	30	30	1195	35¼	26
Laurentide	6	7.10	84¼	83	84¼	83	692	93½	83
Price Bros. com.	2	3.07	65	64½	64½	65	225	72	57
Do. pref.	6½	6.66	97½	97½	97½	97½	183	100	95
Prov. Paper com.	6+1	6.86	102	102	102	103	5	104	100
Do. pref.	7	6.76	103½	102⅝	103	103⅝	30	104½	100
Smith, Howard, com.	.	....	43	43	43	43	10	54½	38
Do. pref.	8	8.33	96	96	96	96	236	101	92¾
Span. River, com.	7	7.14	98½	97	97¾	97½	974	100	97
Do. pref.	7	6.48	110	108	109	110	743	119	108
St. Maurice Paper	6	....	..	...	...	...	...	106	104½
Wayagamack	.	....	64½	62	62	65	110	83	62
Steel and Steel Industries—									
B. E. Steel com.	.	....	1	¾	1	1	705	3½	½
Do. 1st pref.	.	....	12¾	11½	12¾	14	750	30	11½
Do. 2nd pref.	.	....	3¼	2¼	3¼	3	3725	10¾	2¼
Can. Car & Found. com.	.	....	..	...	...	...	...	49	33
Do. pref.	7	8.75	80	80	80	80¾	50	85¾	73
Can. Fairbanks pref.	.	....	60	60	60	..	5	60	60
Can. Gen. Elec. com. (par $50)			..	...	...	...	...	51	47
Do. pref. (par $50)	7	6.25	57⅞	56	56	56	434	60	56
Can. Locomotive com.	.	....	..	...	...	...	...	42	35
Do. pref.	7	8.43	83	83	83	84	3	89½	73
Canada Iron com.	.	....	10	10	10	10	80	10	10
Do. pref.	.	....	41	40	40	39	33	42	39
Dominion Coal	.	....	48	45	45	44	11	52	40½
Dom. Iron pref.	.	....	..	...	...	...	...	24¾	7
Dom. Bridge	4	4.16	96	93	93	96	87	99½	80
Dom. Rad. pref.	7	6.89	..	...	...	...	...	102½	101½
Dom. Steel Corp pref.	.	....	11⅛	10⅝	10¾	..	175	25	10⅝
Ford Motor	10	....	..	...	...	...	...	622	500
Massey Harris com.	.	....	48	45	47	47	24	60	40
Do. pref.	7	7.44	95¼	94	94	96	93	97	93
N. S. Steel pref.	.	....	..	...	...	...	...	25	25
Ontario Steel com.	4	6.55	61	60	61	61	215	76	60
Do. pref.	7	6.86	..	...	...	...	...	102	100
Russell Motor com.	.	....	..	...	...	...	...	42	39
Do. pref.	7	8.80	80	79½	79½	80	20	80	76
Sawyer-Massey pref.	.	....	..	...	...	...	...	13	5
Steel of Can. com.	7	7.30	100	99	100	99¼	653	106½	95⅛
Do. pref.	7	6.08	116	114½	114½	116½	141	118½	114
McKinnon Ind. com. (no par)		....	18	18	18	19	20	26½	15
Do. pref.	7	7.86	89	88	89	90	41	92	88
Milling and Foodstuffs—									
Arnolds com.	.	....	20	18¼	20	18	825	20¼	18
Do. pref.	7	7.69	91	89½	90½	90	109	91	89½
Atlantic Sugar com.	.	....	22½	21½	21½	22¾	202	33⅞	21½
Do. pref.	.	....	..	...	...	...	...	88	75
B.C. Fishing	5	8.00	64	62½	62½	62½	260	75¼	57¼
Canada Bread com (no par)			65½	63	65½	64	367	65½	53
Do. pref. (A)	7	6.54	107	107	107	107	8	110	105
Do. pref (B)	7	7.10	98½	97¾	98½	98	69	98½	96¼
Can. Canners com.	.	....	12¾	12¾	12¾	12¾	60	15	12¾
Do. pref.	1	....	63	62½	63	62½	52	67¾	60
Canadian Salt	8	6.06	..	...	...	...	...	145	130
Christie Biscuits, com. (no par)			..	...	...	...	...	63½	44¾
Can. Bakeries com. (no par)			..	27½	27	27½	25	36	27
Do. pref.	7	7.36	95	94	95	94	81	98½	92⅞
City Dairy com. (no par)	12	4.41	69	67	67	67	81	81	67
Do. pref.	7	6.54	107	107	107	107	16	112	107
Cuban Can. Sugar com.	.	....	..	...	...	...	...	5	3
Do. pref.	.	....	22	22	22	22	20	28	22
Dom. Stores com. (no par)	60c.	....	59½	58	58	58¼	49	68	56
Do. pref.	8	6.95	115	115	115	115	8	116	106
Wm. Davies (A) (no par)			30	30	30	30	216	37½	30
Inter. Milling pref.	7	6.93	101½	100	101	101	73	105¼	101
Lake of Woods com.	12	8.21	147	146	140	145	111	175	140
Do. pref.	7	6.00	116½	116½	116½	115	10	117	115
Maple Leaf Mill com.	.	....	60⅛	60⅛	60⅛	60⅛	35	88	50⅛
Do. pref.	7	7.36	94	94	94	94	3	102	94
Ogilvie Flour com.	5	2.94	170	170	170	170½	30	200	170
Do. pref.	7	5.93	120	118	118	120	310	125	117
Pure Gold Mfg. (no par)	50c.		..	...	...	...	...	23½	20
Shredded Wheat	10	6.26	..	...	...	...	...	218	169½
St. Law. Flour com.	.	....	35	30	35	32¼	430	45	28
Do. pref.	7	8.53	..	...	...	...	...	84	82
Viau Bis. com.	.	....	25½	23½	25½	23¼	836	25½	18
Do. pref.	.	....	87	87	87	87	125	89	87
West Can. Flour	8	8.00	..	...	...	...	...	115½	110
Western Grocers com.	.	....	5	4	5	4½	21	13¼	4
Do. pref.	.	....	50½	50⅛	50½	51	300	64	49
Utilities—									
Bell Telephone	8	5.92	135⅝	131	131½	136	802	141	131
Consumers Gas	10	5.65	180	175	180	178	417	183⅞	172½
Inter. Util. (A) (no par)	87½c	....	..	...	...	...	...	38½	32½
Do. (B) (no par)	.		..	...	...	...	...	9¼	7½
Cedar Rapids	3	....	..	...	...	...	...	40	40
East Koot. Power	.	....	27	27	27	27	15	32	25
Jamaica Pub. Ser. pref.	7	7.14	99	98	98	99	17	99	96¼
Laurentide Power	5	4.76	..	...	...	...	...	110	105
Mackay com.	7	5.34	131	130	130⅝	131	66	132	105
Do. pref.	4	5.75	71	69½	69½	70¼	100	73½	68¾
Mexican Light com.	.	....	..	...	...	...	...	31	29½
Do. pref.	.	....	..	...	...	...	...	75	64
Mont. L. H. & Pr. Cons.	8	3.58	224	220¾	223	220½	7596	230	209
Mont. Telegraph (par $40)	8	6.63	48¼	48¼	48¼	48½	15	51½	48¼
Ottawa L. H. & Pr. com.	6	6.15	98	97½	97½	98	64	100	97½
Do. pref.	6½	6.31	103	102	103	102	10	105¼	102
Quebec Power com.	5	4.13	121	120	121	121	19	125	113
Do. pref.	7	6.25	112	112	112	110	5	116	109½
Shawinigan	8	4.44	182½	179	182	180	1280	191	167½
South. Can. Power com.	2.00	2.22	90	89	89	89	50	90½	88
Do. pref.	6	5.94	101	100	101	100	27	101½	100
Do. Rights	.	....	2	2	2	2	912	2	2
Transportation—									
Can. Pac. Rly.	10	6.41	156	153¾	156	154¾	109	163	147
Can. Steamships com.	.	....	19½	18½	19¼	18	525	20	11
Do. pref.	.	....	68½	67½	67½	68	1295	70⅞	56
Do. Voting	.	....	..	...	...	...	...	19	11
Tractions—									
Barcelona (par $50)	.	....	..	...	...	...	...	29	26
Brazilian com.	5	5.51	91⅝	88⅛	91	88	28781	98½	80
Do. pref.	6	6.00	100	100	100	100	35	102½	97½
Detroit U. Rly.	.	....	2¼	2¼	2¼	2½	5	3½	2¼
Duluth-Superior	.	....	..	...	...	...	...	31½	25
Illinois Trac., pref.	6	6.23	..	...	...	...	...	96¼	96¼
Montreal Trams.	10	6.06	175	162½	162½	165	31	178	159
Ottawa Traction	4+1	7.81	..	...	...	...	...	65¾	63
Porto Rico Rlys., com.	.	....	41½	41⅜	41½	41⅝	75	47	40
Do. pref.	7	7.95	..	...	...	...	...	91	87
Quebec Rly.	.	....	..	...	...	...	...	26¾	26
Twin City com.	5	7.29	69¼	68½	68½	68¼	255	79½	68¼
Do. pref.	7	6.84	..	...	...	...	...	103	102½
Winnipeg Elec. com.	1	....	47½	45¼	47	45¼	2404	54⅝	45¼
Do. pref.	7	7.14	98½	97½	98½	98½	58	100½	95
Textiles—									
Can. Conn. Converters pf.	4	9.75	..	...	...	...	...	49	41
Can. Conventers	7	7.77	90	90	90	90	20	94	90
Can. Cotton com.	8	6.89	..	...	...	...	...	124	115
Do. pref.	6	6.25	96	95½	96	95½	30	99½	95
Can. Woollens com.	.	....	..	...	...	...	...	8	5
Do. pref.	.	....	48	47	47	50	60	50	47
Dom. Textile com.	5	5.55	90	89	89	90	68	99⅛	89
Do. pref.	7	6.08	115	115	115	121	109	122	115
Monarch Knitting pref.	.	....	..	...	...	...	...	50	45
Montreal Cottons com.	6	5.82	103	103	103	103	2	105	102
Do. pref.	7	6.14	..	...	...	...	...	115	112
Penmans com.	8	4.49	..	...	...	...	...	190	173
Do. pref.	6	5.88	102	102	102	103	1	104½	102
Wabasso Cotton	4	6.55	65	61	61	61	70	65	61
General Industrials—									
Am. Sales. com. (par $20)	4	6.78	60	59	59	60	70	70	59
Do. pref.	7	7.21	97	96½	97	97	39	98	92
Asbestos Corp. com.	6	6.00	100¼	100	100	103	81	103	89
Do. pref.	6	4.83	..	...	...	...	...	124	109
Do. pref. (new)	.	....	69½	68½	68¾	68	822	70	62
Do. com. (new)	.	....	28½	21⅞	22¾	23	1636	24½	17¾
Brant. Cord. pref. ($25)	8	7.65	26¾	26	26	26½	237	27½	26
Burt, F.N. com. (par $25)	12	5.66	53⅛	53	53	53	72	67	53
Build. Products pref.	7	8.18	85½	85½	85½	87	12	87	85¼
Canada Cement, com.	6	5.91	102	101⅛	101½	102	610	111½	100½
Do. pref.	7	6.18	113¾	113	113¼	113¼	451	120	112¼
Cons. Rubber pref.	7	8.00	87½	87½	87½	86½	5	87½	86½
Can. Indust. Alc. (no par)	1.28	7.53	17½	17	17¼	17	803	20	16¼
Crow's Nest Coal	6	9.83	61	61	61	62½	25	85	51
Dom. Glass com.	7	7.36	95	95	95	94	280	105	85
Do. pref.	7	6.60	106	106	106	106⅝	33	111	106
East. Theatres com. (par $25)		....	24¾	24¼	24¾	24¾	21	25¼	18¾
Do. pref.	7	7.95	88	88	88	89	25	90	83
Famous Players com.	.	....	12	12	12	15	6	18½	12
Do. pref.	8	8.74	91½	91	91	91	170	94¼	90
Kelvinator com. (no par)	.	....	20½	18	19	19	2088	20¼	16
Do. pref.	7	7.69	91	90½	91	92¼	10	93⅞	90½
Gilman com.	6	5.55	..	...	...	...	...	108	104½
Do. pref.	7	6.08	..	...	...	...	...	116½	113½
Goodyear Tire pref.	7	7.69	91½	90	91	91½	128	97	85
Holt Renfrew pref.	7	7.95	88	88	88	88	2	90	85½
King Ed. Hotel	.	....	..	...	...	...	...	41	25
Lyall Construction	.	....	39	39	39	38½	10	46	20
Nat. Brew com. (par $25)	4	6.83	59	58¼	58½	58	584	69	56
Do. pref.	7	6.54	..	...	...	...	...	110	106
Nat. Brick com.	.	....	10	10	10	12½	15	12½	10
Do. pref.	7	11.20	62⅝	62⅝	62⅝	63¾	120	72	62⅝
Pacific Burt com.	6	6.59	91	91	91	90	15	110	90
Do. pref.	7	6.73	..	...	...	...	...	110	102
Port Hope San., com.	¾	3.48	..	...	...	...	...	88	74½
Do. pref.	7	6.71	..	...	...	...	...	105	99
Rogers, Wm. com.	.	....	50	48¼	48¼	57	10	67	45
Do. pref.	7	7.34	..	...	...	...	...	95⅝	90
Sherwin-Williams com.	6	4.80	125	125	125	128	215	135	125
Do. pref.	7	6.19	113	112½	113	113	16	114	110½
Sterling Coal	4	....	38	38	38	38	35	43	37
Tooke Bros. com	.	...	..	...	...	...	...	8	8
Do. pref.	.	....	..	...	...	...	...	60	55
Tuckett Tobacco com.	4	6.15	65	65	65	65	20	65	61¾
Do. pref.	7	6.93	101	101	101	100	5	105	100
Woods Mfg. com.	.	....	45	45	45	47	5	47	38
Do. pref.	7	8.23	..	...	...	...	...	85	77¾
Trust and Loan—									
Central Canada	12	5.71	..	...	...	...	...	210	210
Canada Landed (par $50)	10+1	5.78	95	95	95	95	15	100	95
Can. Permanent	12	5.79	207½	207½	207½	208	74	208½	202½
Colonial Invest. (par $10)	6	....	6	6	6	6¼	1	6½	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.66	132½	132½	132½	130	10	132½	127½
Landed Banking	9	6.00	..	...	...	...	...	150	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.00	..	...	...	...	...	245	235
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	8.23	..	...	...	...	...	85	85
Toronto Gen. Trusts	12	5.42	221	220	220	223	3	225	220
Toronto Mort. (par $50)	10+1	5.55	99	99	99	95	4	99	93½
Union Trust	7	7.14	98	98	98	98	10	101	98
THE CURB MARKET									
Beacon Oil	.	....	15½	15	15	15½	130	19½	14¼
Brit. Amer. Oil (par $25)	10	4.95	50½	49¾	50	50	478	58½	47
Can. Oil com.	1¼	....	..	...	...	...	...	75	65
Do. pref.	8	7.54	106	106	106	105	85	106	100
Continental Oil	25c	....	..	...	...	...	...	26	20
Dryden Power (no par)	.	....	6	6	6	5½	70	7¾	5½
East. Engineering	.	....	..	...	...	...	...	2½	1
Good & Worts	6	2.62	229	229	229	220	20	237	193
Imperial Oil (no par)	1.00	2.86	36	33¾	35	34⅝	1360	38½	32½
Inter. Pete. (no par)	75c	2.34	33	31⅞	31⅞	32½	1220	35½	29¼
Manitoba Power (no par)	.	....	35	35	35	35	20	42	24
Newsprint Corp.	.	....	..	...	...	...	...	27	18
North Star Oil com. (par $5)		....	..	...	...	...	...	105	95
Do. pref. (par $5)	.	....	..	...	...	...	...	475	450
Simpsons pref.	6	6.06	..	...	...	...	...	102	99
St. Maur. Valley Corp.	.	....	47	45	45	45¾	132	58½	45
Toronto R. S.	.	....	1.50	1.50	1.50	1.40	85	1.50	1.10
Volcania Oil (par $25)	62c	....	..	...	...	...	...	20	26½
Attendu Eng.	.	....	15¾	9	15¾	8½	3755	14½	7
Eng. Elec. com. (no par)	.	....	..	...	...	...	...	24½	15
Do. pref.	.	....	65	65	65	71	31	72	59½
Illinois Power pref.	.	....	97	96⅝	96⅝	96⅝	325	98½	96
Nor. Mex. Pr. com.	.	....	..	...	...	...	...	55	47
N.S. Car	.	....	..	...	...	...	...	11	10
Power Corp. (no par)	.	....	..	...	...	...	...	28¼	24
St. Law. Power (no par)		....	..	...	...	...	...	46½	36
St. Maur. Power	.	....	..	...	...	...	...	82	75
United Secs. pref.	6	5.74	104¾	104½	104½	104½	119	105	103
Can. Nor. Pr.	.	....	..	...	...	...	...	30	29¾

UNLISTED SECURITIES

	Bid	Asked
Brooks Steam Motors	4½	6
Can. Machinery, com.	4½	..
Can. Westinghouse, com.	160	165
Cosgrave Brewery	3¾	4½
Dom. Power, pref.	94	97
Farmers Dairy, com.	40	..
Farmers Dairy, pref.	100	102
Dunlop Tire, pref.	77	80
B. Greening Wire, pref.	94	96
Copeland Flour, com.	2	4
Gunns, Ltd., pref.	33	35
King Edward Hotel, Deb. A.	80	84
King Edward Hotel, Deb. B.	60	64
K. & S. Tire, pref.	20	..
Loew's Toronto, pref.	84	87
Loew's London, com.	3	3⅝
Loew's Ottawa, pref.	16	..
Durant Motors (C)	2¾	3¾
Mount Royal Hotel, com.	4	6
Mount Royal Hotel, pref.	37	39
Willard's, pref.	70	72
Capital Life 25% Paid	23	26
Continental Life 20% Paid	33	..
Crown Life	125	..
Empire Life	22	..
Excelsior Life 25% Paid	44	..
Great West Life	360	..
Imperial Life	210	..
Monarch Life 10% Paid	20	..
Ontario Equitable	24	26½
Re-Insurance	16¾	..
Security Life, 40% Paid	30	34
Sovereign Life, 25% Paid	26	28½
Toronto Finance, pref.	4¼	5¼
Trusts & Guarantee	76½	79

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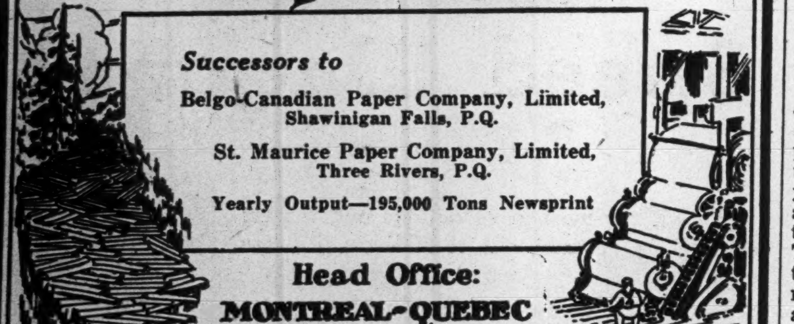
St. Maurice Valley Corporation



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Pulp and Paper

SAYS NEWSPRINT OVERPRODUCTION IS VERY REMOTE

Statistician of Big Producer Indicates Future is Bright

From Our Own Correspondent

MONTREAL.—The preponderance of informed opinion on the future of the newsprint industry appears to recognize that there is a danger of overproduction. It is, therefore, more cheering for the shareholders of newsprint companies to note that H. C. Scott, head of the statistical department of the International Paper Company, believes that this possibility is very remote.

In an address before the Canadian Statistical Society here, Mr. Scott declared that there was more likelihood of an undersupply or over-consumption of newsprint than of overproduction. Stocks of newsprint on hand at mills are now very low, amounting to only a few days' supply ahead of the demand. In the United States the tendency has been for fewer machines to be added to production of newsprint, and in 1925 not a single new machine was put in operation. On the other hand, there has been a tendency to convert newsprint machines into producers of fine paper, and for this reason as well as the decline in magazine advertising during periods of depression, overproduction in the fine paper field, with resultant lower prices, is not unlikely.

The chief factor in the increasing demand for newsprint has been the steady growth in the size of newspapers, of which there are now more than 32,000 on this continent. Not a year passes but some new popular article arises which adds considerably to the demand for advertising space. The rise, popularity and growth of the automobile, the movies and the radio have added enormously to the advertising space in the newspapers.

Not only have newspapers grown in size but they have also increased their circulation. The addition of special features, such as a magazine section and literary supplement, has made it possible for the newspapers to extend their circulation on a substantial scale to the rural communities. As the latter constitute about 50 per cent. of the population there is thus opened a vast additional field for the consumption of newspapers. There is also a tendency for the rural communities to prefer city papers to rural and this increases the consumption of newsprint owing to the larger size of city papers.

While magazine advertising varies in volume with the state of business prosperity, there has been a practically unbroken increase in newspaper advertising. This has been attributed to the fact that prosperity encourages advertising and depression makes it necessary.

The North-American market is still far from saturation, and there is ample evidence that Europe will in the future be a vast market for newsprint. In Germany and in other European countries the newsprint consumption per capita is now very small as compared with that of the United States or Canada, and it is to be expected that with the advent of more normal conditions in Europe there will follow a growth in the size and circulation as well as in the number of newspapers, along the lines of that on this continent. This will naturally mean a considerably increased demand for newsprint, which can be most easily supplied from this side of the ocean.

B.C. Pulp and Paper Making Good Progress

From Our Own Correspondent.

MONTREAL.—The two principal sulphite pulp mills of the British Columbia Pulp and Paper Company, which acquired the former Whalen properties, are operating at capacity and producing around 5,000 tons of high-grade sulphite pulp per month—this is mainly being shipped to the East, principally to the Japanese market, which is becoming an increasingly important consumer of Canadian pulp.

It is understood that for the five-month period ending March 31, 1926, the net profits of the company, after bond interest and all prior charges, but before depreciation, were in excess of $150,000. Figured on this basis, the earnings for the current year should approximate $700,000. This compares with bond interest requirements of $222,000 on the first mortgage bonds and $105,000 on the general mortgage bonds.

The company is reported to be in satisfactory liquid position, with net quick assets of more than $1,200,000, of which $650,000 is in cash.

The market for chemical pulp appears to have finally adjusted itself; in the general betterment of the industry as a whole, the British Columbia Pulp and Paper Company has benefited also.

DUKE-PRICE HEAD OFFICE

QUEBEC.—To meet new conditions, the head office of the Duke-Price Power Company has been removed from Quebec to Montreal. The company also announces that its board of directors has been increased from seven to nine. The names of Sir Herbert Holt and Julian C. Smith are mentioned as possible directors.

BROMPTON PROSPERS

MONTREAL.—The earnings of the Brompton Pulp and Paper Company for the current year to date continue to exceed those of a year ago, and the prospects for 1926 indicate a fairly good increase in both gross and net earnings.

The newsprint mill has been operating practically at capacity, and improvements in connection with the company's two U. S. plants at Claremont and Groveton have brought about decidedly better results—a satisfactory condition which has been maintained.

Wayagamack Timber Deal is Not Consummated Yet

From Our Own Correspondent

MONTREAL.—Interests close to the Wayagamack Pulp and Paper Company here believe that while pourparlers leading to the acquisition of the island of Anticosti are in progress, yet the deal has not yet been finally consummated. Reports continue to emanate from the city of Quebec indicating that the company has paid approximately $6,000,000 for the island, but, on the other hand, the island has been surrounded with ice since the negotiations were first opened, and it will be some time before the company's engineers can investigate and make a report on the property.

The reasonable supposition is that while the deal has not actually been consummated, yet it no doubt will be shortly.

A Quebec despatch says that not only has the company received the timber limits on the island, but has purchased the whole property of some 3,000 square miles outright.

NEW OFFER MADE ON STEAMERS PREFERRED

Shareholders to Consider Proposition to Receive Stock in Lieu of Dividend Arrears

From Our Own Correspondent.

MONTREAL.—The preferred shareholders of the Canada Steamship Lines meet on June 9 to consider the directors' offer which provides for the issue of new preference stock in lieu of the dividend arrears on the present issue. The directors' proposal places the preference stock on a participating basis with the common, to the extent of an additional one per cent., but no more, in any dividends in excess of $6 per share on the common stock in any one year.

The acceptance of the plan by the preferred shareholders means that for every five preferred shares presently held, the shareholders, in lieu of dividend arrears, will be given one new share of preferred stock, which will be issued at the end of 1926.

The dividend rate of 7 per cent. on the present preferred stock will be reduced to 6 per cent., and the stock will have the one per cent. participating clause. Dividends on all the preferred stock will accrue as from January 1, 1927, and it is the company's intention to recommence dividends during the first quarter of next year.

Thus, if the plan is approved, at the end of the present year the preference shareholder having five shares will have stock which would be 35 per cent. in arrears—a total of $175. The shareholder will receive in full payment for his old preference stock plus the 35 per cent. dividend arrears, six shares of new preference stock paying 6 per cent. with a one per cent. participation clause. In other words, his annual dividend requirements will amount to $36 on the new stock, as compared with $35 on his five shares of the old stock, and he foregoes any claim as to arrears of dividends.

In regard to this plan of financing President Coverdale of the Canada Steamship Lines states that its acceptance by the preferred shareholders means that the 7 per cent. collateral trust bonds will be retired by the sale of a new 6 per cent. issue: thus saving $51,-000 per annum in interest charges. He also refers to the expectation of the resumption of dividends on the preference stock for the first quarter of 1927, if the plan be approved.

Gregory Tire Company Has Been Reorganized

WINNIPEG.—Through the recent sale of the plant and business of the Gregory Tire & Rubber Co., Ltd., to a syndicate of prominent Vancouver and New Westminster business men, car owners of Western Canada will still be able to secure tires made in the West. It is the intention of the reorganized company to again start operations at the Coquitlam plant.

The company was organized some years ago and suffered the usual vicissitudes of western manufacturing plants. During the past two years the company engaged in an advertising campaign throughout the West, which greatly increased its trade and prospects. It also entered the export market and secured orders from trans-Pacific points. Unfortunately, however, the company was unable to finance its growing business and last fall through lack of working capital was forced into the hands of a receiver, who was compelled to temporarily close the plant.

The men behind the reorganized company are: A. M. Dollar, Hugh Dalton, F. E. Burke and R. E. Jamieson, of Vancouver, and R. L. Cliffe, J. H. McDonald and E. A. Riddell, of New Westminster. R. E. Jamieson, who has been connected with the rubber industry for many years will be managing director.

Famous Players Corp.'s Operating Profit Up

From Our Own Correspondent

MONTREAL.—The operating profits of the Famous Players Canadian Corporation for the first half of the fiscal year have shown an improvement over last year, and, if maintained during the next six months, the 1926 annual report will show a substantial improvement over that of 1925.

Famous Players controls the Canadian motion picture business from coast to coast, and there are comparatively few important picture theatres in the leading cities which do not contribute to the earning power of the company, either directly or through subsidiaries.

"CEMENT" GETS CONTRACT

MONTREAL.—The Canada Cement Company has been awarded the contract for the supply of cement to the city of Montreal during the current year. The company submitted a tender of $2.11 a barrel, net price for thirty days, less 10c. a barrel if paid within twenty days of delivery. This proved to be the lowest tender received by the city, and "Cement" was awarded the contract at a meeting of the city council held this week.

ATTENDU ENGINES STRONG

MONTREAL.—The stock of the Attendu Engines has been selling around $17, as compared with $10 a few weeks ago. The rise is due to the fact that the company is understood to be making satisfactory progress. The major portion of the U. S. navy tests of the engine have been completed satisfactorily. That the company's engines will be purchased by the U. S. government appears to depend only on the approval of an appropriation for this purpose.

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Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.

PAPER RUMOR DENIED

MONTREAL.—The report that the Donnacona Paper Company has been sold to the Wood-Gundy interests has been denied by those close to the supposed purchasers. Rumors indicated that the Donnacona Paper Company was to be included in the new St. Maurice Valley consolidation.

Food Products

WESTERN GROCERS NOW PAYING ON NEW PREFERRED

Directors Talk of Time When Common Dividend Will Also be Paid

At the annual meeting of the shareholders of Western Grocers, in Winnipeg, the report of the directors for 1925 showed net profits of $140,911, after deducting all operating expenses, making provision for bad and doubtful debts, writing off $15,461 on equipment, writing off $14,605 on buildings and setting up $15,600 as provision for income tax. The year's profits added to the surplus and reserve of the previous year made a total of $232,271, which was dealt with as follows:

Depreciation on buildings for 1924	$ 14,499.05
Additional income tax for 1924	2,774.68
Reserve carried under by-law No. 10	59,715.00
Surplus	155,283.16
	$232,271.89

There was an improvement in general trade conditions in the West during the year and the directors point out that this was reflected in the company's earnings, putting the company in a strong position financially with a good liquid surplus. Referring to changes made during the year the report says:

Your directors, after due consideration sold the company's business at Regina, Sask., and purchased the business of the Northern Grocery Co. at Fort Frances, Ont., leaving the number of jobbing points in which we have branches at fourteen, as formerly. Your directors also purchased the business of the Brandon Grocery Co. at Brandon, Manitoba, during the year and consolidated it with our own branch at that point.

Referring to the capital reorganization of the company the report says:

The special meeting of shareholders held Wednesday, February 17, 1926, voted almost unanimously in favor of the plan of adjustment of the company's capital stock as recommended in our circular sent to shareholders under date of December 21, 1925. The by-law passed at this special general meeting provides for a reduction in the authorized capital stock to 25,000 seven per cent. cumulative preferred shares of $100 par value each and 30,000 common or ordinary shares of no-par value. The plan of exchange of shares adopted will leave the amount of shares issued as follows: 11,943 shares of seven per cent. cumulative preference stock at $100 par value each, and 16,943 shares of no-par value common stock.

President W. P. Riley pointed out that the report was the best submitted to the shareholders in some years—it was the 13th year of the company, far from being an unlucky one. Compared with 1924 the net profits of $140,911 contrasted with $63,680 and the items for depreciation on buildings and for income tax represented an additional $30,000 in favor of the 1925 results.

The New Balance Sheet

The balance sheet as presented to the shareholders showed assets of $7,439,610 as compared with $7,236,607 at the end of 1924, an increase of $203,002, largely made up by accounts receivable and inventories. At the same time a revised balance sheet, giving effect to the adjustments necessitated by the capital reorganization plan, approved February 17, was submitted showing the assets at $4,327,887.

In the last week's issue the adjustments in the company's position as the result of the changes in capitalization were reviewed, showing the latest figures compared with those for 1924. In the following summary the figures for the year ending December last are also given:

ASSETS	1924	1925	new basis
Current	$3,088,252	$3,310,176	$3,310,176
Property	867,328	861,875	861,875
Investmt's.	82,055	74,200	74,200
Equipment	87,249	81,635	81,635
Goodwill	3,111,722	3,111,722	—
Total	$7,236,607	$7,439,608	$4,327,887
LIABILITIES			
Current	$1,691,297	$1,770,661	$1,770,661
Mortgage	65,350	65,350	65,350
Pref. stock	2,388,600	2,388,600	1,194,300
Com. stock	3,000,000	3,000,000	1,022,862
Due on pref.	59,715	59,715	59,715
Surplus	31,644	155,283	214,998
Total	$7,236,607	$7,439,610	$4,327,887

Dividend is Declared

Satisfactory progress in connection with the capital reorganization of the company is indicated by the action of the directors in declaring a 1¾ per cent. dividend on the new preferred stock. This is in accordance with the assurance that the 7 per cent. basis would be established this year. As to the outlook for the new common shares, President Riley told the annual meeting:

"It would not take much of a stretch of imagination, with the prosperous outlook in Western Canada, to expect dividends on the common stock within a reasonable time. I feel sure that you will all be gratified to know that the new common stock has real assets back of it, at the present time, of between $70 and $80 per share and it is also hoped that the real value of these shares will be increased as time goes on."

Looking to the future the company anticipated continued improvement in its business. More prosperous days are evidently ahead for the West and it is anticipated by the directors of Western Grocers that their company will share in this prosperity.

Viau Biscuit Reports Prospect of Dividend

From Our Own Correspondent

MONTREAL.—The Viau Biscuit Corporation forwarded a letter to its shareholders which points out that the stock exchange fluctuations do not reflect the position of the company's affairs and says that the management looks to the definite prospect of a dividend on the common stock at the end of the fiscal year. The letter continues:

"We state this with all usual reservations, and merely as a hint to holders who may feel that they are not fairly or sufficiently informed as to the outlook and might be unduly influenced by stock exchange fluctuations."

'Lantic Sugar Refineries' Position Has Strengthened

From Our Own Correspondent.

MONTREAL.—At the annual general meeting of the Atlantic Sugar Refineries, D. Lorne McGibbon, chairman of the board, called the attention of the shareholders to the fact that the financing plan of the company has been completed. The proceeds of the new issue of stock have been paid into the treasury and shortly the new bonds, to be issued to the raw sugar creditors, will be delivered.

Speaking on the business of the present year, Mr. McGibbon declared that it has exceeded in volume that of the corresponding period of 1925, and that the output is sold out ahead for a considerable period. The plant is operating at capacity and will continue to do so for some time. With the money received from the proceeds of the new stock issue, the company is in a comfortable working capital position, with current assets exceeding current liabilities by more than $1,000,000; this is more than ample for the company's needs, particularly in view of the prevailing low price of raw sugar.

CANADIAN BAKERIES' MERGER COMPLETE

New Organization Beginning to Show Benefits and Economies of Consolidation

The benefits and economies of consolidation are beginning to become apparent in the amalgamation of five western bakeries known as Canadian Bakeries, Limited. The organization is now on its feet and is said to be operating very satisfactorily.

It will be recalled that the bakeries entering the merger operated ten plants with a weekly capacity of 1,400,000 loaves of bread, and a weekly average output of approximately 650,000 loaves. Their plants are at Vancouver, New Westminster, Victoria and Nanaimo, B.C.; Calgary and Lethbridge, Alta., and in Saskatchewan at Regina and Moose Jaw. The capacity of the plants is sufficient to take care of any increase in the company's business in the near future, and if conditions in the west continue to prosper more settlers will be attracted to that section of the Dominion. This will naturally mean more customers.

The company's capitalization includes $800,000 in 6½ per cent. bonds, $1,000,000 in first preferred cumulative stock and $1,000,000 in second cumulative convertible preferred stock. The bonds and first preferred stock were sold in the local market and the second preferred was given in part payment of the plants taken over. The first preferred and Class A common shares were listed on the Toronto Stock Exchange a few months ago and have found a ready market. The preferred is quoted around 95 and the common 27.

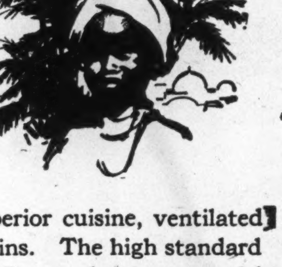
Ogilvie Milling Going Into Commercial Freights

Ogilivie Flour Mills Co. is extending its activities in the shipping field and the Tree Line Navigation Co. is putting on two steamers carrying package freight from Toronto and Hamilton, Fort William and Port Arthur. The boats are not new, modern package freighters, but they are good ships and obtain as high a rate as any other for carrying wheat eastward. They were French vessels and should prove satisfactory in the package freight business. They should be able to operate at favorable competitive rates and revenue obtained will tend to offset the company's carrying charges on wheat coming east.

Dominion Stores Firm on Satisfactory Report

The very satisfactory report of operations for the month of April may have been responsible for the slight firming of Dominion Stores common this week. Sales for April were $1,171,000, against $880,000 for April last year, an increase of 33 per cent. Total sales for the first four months of this year were $4,445,000, against $3,487,000 for the same period last year. This is an increase of approximately 28 per cent. Ten new stores opened in April, bringing the total up to 399.

CANADIAN SERVICE FROM MONTREAL



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BRITISH HAD FLOUR TO COVER EMERGENCY

Strike Has Made Practically No Difference to Canadian Millers

The remote possibility of the British supply of flour on hand becoming short is the only eventuality which would create a sudden demand for Canadian flour in Britain. There was a feeling that the strike would be a boon to the Canadian millers and some wild statements were made. These overlooked the fact that British mills grind 85 per cent. of the flour used there and the Canadian mills less than 15 per cent., and also that it is the practice in Britain to keep well ahead of the market and sell to the baker as far in advance of his requirements as he could be persuaded to make commitments.

The fact of the matter is that the British government was very well prepared for an emergency. There are abundant supplies of flour available in Britain and these are moving satisfactorily. Furthermore, the shipments of Canadian flour that were being moved are all that is required. In other words the strike has made practically no difference to the Canadian miller.

There is the remote possibility that a protracted strike may wear down British flour supplies to such an extent that Canadian reserves will be urgently needed. Present conditions, and recent attempts to arrive at a settlement of the strike do not lend much strength to this view. The flour situation, in fact, is about as it was before the strike started.

Lake of the Woods May Cut the Dividend

There seems to be some feeling that the statement of Lake of the Woods will not be much more favorable than the last one. The stock stood at 172 at the first of the year and is now around 146. Earnings last year were only $193,000, and this amount, after allowing for depreciation, was insufficient for the preferred dividend and made no provision for the common. Will the difficult period for the milling companies make it advisable to reduce the 12 per cent. dividend?

CANADA BREAD ADVANCES

Canada Bread common was among the features of the exchange this week when it made a gain of three points to 65½. There is little support as yet, and, of course, no confirmation for the rumor that a dividend on Bread is to be declared in the near future.

CANADA DRY IS REAPING FRUIT OF ADVERTISING

How a Canadian Enterprise is Winning Success in United States

NEW YORK.—Net earnings of Canada Dry Ginger Ale, Inc., for the first quarter of 1926 were $349,297, after all advertising, depreciation and other charges, including taxes. This was equivalent to 81 cents a share on the 429,960 outstanding shares, against $176,357, or 41 cents a share in the corresponding quarter of the previous year. Company continued its phenomenal expansion during this quarter, with sales of 13,500,050 bottles of ginger ale against 8,024,900 in the first quarter of 1925 and 1,690,050 for the full year of 1922.

It was only in 1921 that Canada Dry was introduced to the American public, with the opening of a sales agency in New York. Profits that year were small, as they were in 1922, when they total only $48,324. In 1923 company's sales jumped from the 1,690,050 bottles of 1922 to 6,320,100 bottles, with profits of $74,881. But the next year there came rich fruit from the investments in advertising and from the company's distribution policy. Sales reached 23,480,250 bottles with profits of $493,551. Sales in 1925 more than doubled, reaching 51,783,300 bottles, with earnings at $1,238,779.

A Picture of Progress

The company's progress during the last three years is pictured in the following brief table, which is not only interesting for its sales and earnings figures, but because of its data on advertising expenditures, the wisdom of which is reflected in expanding sales and earnings:

	1925	1924	1923
Net earn.	$1,238,779	$ 493,551	$ 74,881
Sales	51,783,300	23,480,250	6,320,100
Advertising	838,571	361,988	110,268

This year, Canada Dry is completing a new plant at Maywood, Ill., a suburb of Chicago, which will duplicate the 300,000 bottle daily capacity of its Hudson, N.Y., branch. There are also other plants at Toronto and Edmonton, Canada, and 100 acres of spring water property near Toronto—all carried in the balance sheet at $1,305,526, including the $315,546 contract cost of the new Maywood property.

Canada Dry had its inception in J. J. McLaughlin, Ltd., a business which has been in successful operation in Canada since 1890. Its amazing growth in the United States has placed it in the position of selling more than 50,000,000 bottles of ginger ale last year, which P. D. Saylor, president, believes makes the company the largest of its kind in the world. In the United States, active sales efforts have reached the Mississippi River, leaving a large area yet to be intensively developed, but the export field has been given attention and shipments of Canada Dry are now being made to China, India, New Zealand, Australia, Europe and to almost all the South American countries.

President Saylor says that: "Our Canadian company is showing a fine increase in business—profits for the first quarter were almost one-half the total profits for the year 1925. Certain nuisance taxes affecting our product in Canada have recently been repealed, which will tend to help our general situation in that country."

MAPLE LEAF FLOUR FIRM

Rumor that the British strike would work to the benefit of the Canadian millers is largely exploded. It is fairly substantiated that this factor has had nothing to do with the comparative strength of some of the milling stocks, such as Maple Leaf. The strike has made virtually no change in the situation.

INTERNATIONAL MILLING FIRM

International Milling stock has stood firm since the beginning of the year, when nearly all of the milling group have shown weakness. The preferred stock opened the [illegible]ar around 102 and is now quoted at 10[illegible] the high for the period being around 105. The operations of this company [illegible]nefit from the fact that they are carr[illegible]d on on both sides of the border, and [illegible]re not entirely subject to the vicissi[illegible]des of the industry in Canada, as are [illegible]ome of the others.

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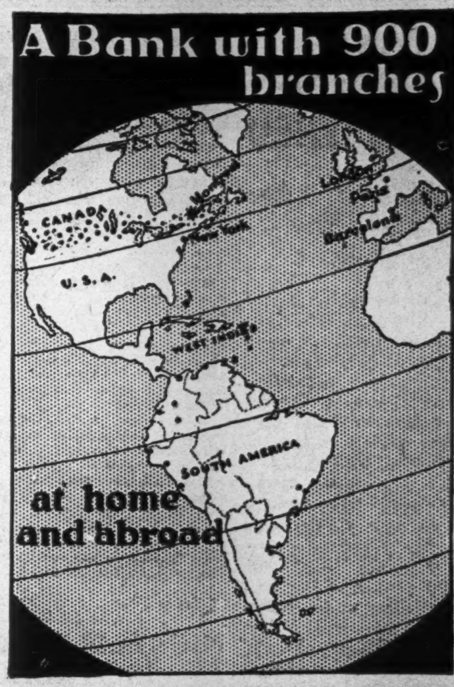

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CANADA CEMENT BUILDING MONTREAL, CANADA

PAINT COMPANY REPORTS DEFICIT; INCOME BETTERED

Brandram-Henderson After Fixed Charges and Dividends Has Deficit

From Our Own Correspondent.

MONTREAL.—Although the annual report of Brandram-Henderson for the year 1925 reveals a slight increase in the net profits, yet after bond interest, bond discount, depreciation and pension reserves and preferred dividends, the deficit in the income account amounted to $25,929.

Earnings for the year were $103,296 as compared with $101,827 in 1924. From the former figure was deducted $70,231 for fixed charges, $12,493 for bond discount, $8,000 for depreciation, $3,500 for pensions and $35,000 for preferred dividends. There were other entries in the profit and loss account which affected only the balance sheet and which switched some of the reserves standing under bond redemption account to inventory and other reserves.

The general statement of assets and liabilities shows current assets standing at $1,551,476, as against current liabilities of $587,534. Included in current assets are merchandise $972,090; accounts receivable $500,165, and cash on hand, in bank and trust company, $79,220. Current liabilities include Royal Bank of Canada, $414,895; bills payable, $12,663; accounts payable, $103,752; reserve for preferred dividend payable January 2, 1926, $8,750; reserve for bond interest accrued, $19,639, and unclaimed dividends, $832. With respect to the item in current assets of loan due to Royal Bank of Canada of $414,895, as at December 31st, 1925, this was reduced by January 15 by approximately $170,000.

The fixed assets of the company represent a total of $2,779,651, and included in them are real estate, buildings, plant equipment, goodwill and patent rights of $2,432,728, and capital stock of the Alberta Linseed Oil Company and Pacific White Lead Company, and other investments, less reserve, $346,922. The company's reserves now include depreciation and other reserves amounting to $233,000 and bond premium account of $7,562.

In their report to shareholders the directors announce that the Alberta Linseed Oil Company enjoyed a much improved year in relation to sales and profits and has gone on a dividend basis. The Pacific White Lead Company is now advantageously employed in the manufacture of ready mixed paints for the B. C. division of the parent company.

SHAREHOLDERS OF CANADA STEAMERS OPPOSE THE PLAN

(Continued from page one)

cept what amounts to $7.20 on each of his present shares commencing in 1927, or he can vote to reject the offer and hold out for his "pound of flesh"; in other words, the dividend arrears.

The latter course would probably be the wiser one to pursue, provided the Canada Steamship Lines would shortly be making disbursements to its common shareholders. But the preferred shareholders should take into consideration the fact that there seems little chance of any disbursements being made to the common stockholders—at least, not for several years.

Will Earn on Common

Providing everything goes well with the company, it should earn money on its common stock in the years to come, but, on the other hand, there will be many calls for funds; firstly, to meet notes which are maturing annually, and, secondly, for corporate purposes, such as building new ships and the many other purposes for which a corporation must have ready funds.

Therefore, there is little doubt that by the proposed plan the common shareholders also stand to benefit, but, with the past earning record of the company in mind, it would seem that much benefit would not be so great as it is sometimes painted.

In any event, the preferred shareholders—or rather the majority of the preferred shareholders—are not being forced into any decision; they can take their choice.

It is understood that the preference shareholders who are opposed to the plan are quite prepared to meet the company halfway towards securing modified terms and have no desire whatever to kill the plan in its entirety.

There is no doubt that some compromise between the preference and common shareholders in the matter of dividend arrears is in the best interest of both classes of stockholders. Whether on not the present plan is satisfactory is the question upon which the preferred shareholders are soon to vote.

Smelters' Directors' Fees Are Amazingly Modest Says Britisher

While the English press and many Englishmen have had more bad than goods things to say about things Canadian, once in a while they come through with a boost. A writer to "Canada" signing himself "Britisher" wrote while visiting in Victoria, B. C., as follows:

Sir,—As a visitor I have been greatly impressed by reading the report of the Consolidated Mining and Smelting Company, of Trail, British Columbia, a purely Canadian company, which shows net profits for last year's operations at $11,215,316; cash reserves of $6,000,000; increase of assets nearly $9,000,000; a reduction of $4,000,000 in indebtedness account; and a special loan of $1,000,000 wiped out. Sales of the company's product amounted to $28,562,065.

What was the most striking feature to me was the amazingly modest directors' fees, which were increased on this marvellous showing to only $500 a year. Previously the directors had been paid $400 a year. Surely this situation should prove to be an eye-opener to shareholders in British companies, who pay their "guinea pigs" far more generously, with, as a rule, not the same advantageous results. This is one of the really beneficial things we should learn from Canada.—Yours truly,

BRITISHER.

Victoria, B.C.

NICKEL'S POSITION IS STRONGER STILL

International Quarterly Report Shows Earnings Higher—Shares Are Weak

International Nickel shares continue to show signs of weakness. Transactions speeded up a little during the past week and selling evidently dominated, carrying the shares down another couple of points to around 33½. This compares with a high for the year of 46 in January. The stock has been below 40 since early in March. New York transactions are undoubtedly responsible for break in shares. The company has just issued a report covering the first quarter of the year and it reveals grounds for optimism. Earnings before taxes and depreciation were taken care of showed a material increase over the same period in 1925 and after making more generous depreciation and tax allowance there was available for dividends about $750,000 more than one year ago. Common dividend disbursements which were not paid in the 1925 qquarter, reduced the 1926 quarter addition to surplus materially. The figures:

	Mar. 31, 1926	Mar. 31, 1925
Gross profit	$2,118,275	$1,880,343
Other income	49,240	42,554
Gross income	$2,167,515	$1,922,897
Expd. fed. tax, etc.	388,308	277,223
Depr. depl., etc.	412,634	355,591
Net profits	$1,366,573	$1,290,083
Pfd. divs.	133,689	133,689
Com. divs.	836,692	....
Surplus	$396,192	$1,156,394

A consolidated balance sheet accompanied the statement. It shows the company's position is stronger, assets being $3,400,000 higher and surplus also increased. The figures:

Assets	Mar. 31, 1926	Dec. 31, 1925
Property	$52,983,125	$53,060,027
Investments	1,646,144	1,523,624
Inventories	8,734,763	8,386,182
Accts. and b. rec.	2,675,392	2,548,519
Advances	100,731	150,957
Govt. secur.	3,232,414	3,232,412
Loans on call	2,100,000	1,800,000
Cash	947,109	1,198,417
Totals	$75,369,676	$71,900,138
Liabilities		
Pfd. stock	$ 8,912,600	$ 8,912,600
xCom. stock	41,834,600	41,834,600
Accts. p. and tax. r.	1,968,294	1,772,108
Bills payable	3,011,087	3,200,000
Pref. div. pay.	133,689	133,689
Reserves	811,121	745,048
Surplus	15,698,285	15,302,092
Totals	$72,369,676	$71,900,138

xPar value $25.

Working capital gained $633,289 during the quarter and now equals 23.20 per cent. of the combined principal of subsidiary notes, par of the preferred and market valuation of the common. Current ratio equalled 8.46 to 1, with cash and government securities alone practically three times all current liabilities. The motor industry is an important customer of Nickel and the company's favorable earnings may be attributed partly to unusual activity in that line. Increased operating efficiency and development of new products and new uses for established products, however, were important factors contributing to better results which will be more fully reflected in future earnings.

Knew of Red Lake Mine Area Over 43 Years Ago

Dr. Bell for the Geological Survey of Canada, was in a party that examined the English River and Lac Seul sections in 1872.

In 1883 he again visited the area and made a survey of the Mattawa and Red Lake Rivers to Red Lake. In the summary report for that year he gave a short account of his route to Red Lake. The notes bearing on the geology of this area are contained in the following paragraph:

"A very careful track-survey was next made of the Red Lake itself, as its shore proved to be of great geological interest. The whole lake (which is of considerable size) lies within a wide belt of Huronian rocks, among which several of the rarer varieties are well developed, and they were found to contain some interesting minerals. The narrow belt of Huronian rocks, which, in 1872, we conjectured would pass to the northward of the fracture of the English and Mattawa Rivers, was actually found in the position and strike it was supposed to have."

BUYING DOLLARS

Investing in Accumulative Bonds may be looked upon as buying dollars at a discount. $156.24 will purchase a bond for $200.00 payable at the end of five years.

These bonds are issued by Canada's premier mortgage corporation, which was established in 1855, and has assets of more than

$48,000,000.00

Please call or write for full particulars of this attractive and popular investment plan.

CANADA PERMANENT MORTGAGE CORPORATION

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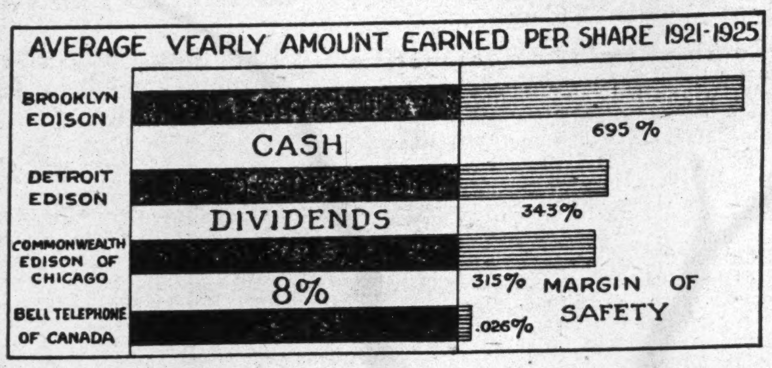
Bell 'Phone Safety Margin Less Than U.S. Utilities



When T. B. Macaulay, president of the Sun Life Assurance Co. of Canada, stressed the need for proper reserves in public utility companies, before the Bell Telephone rates hearing at Ottawa, he presented a chart which showed that Bell Telephone is not earning to-day a reasonably safe margin over dividends.

Mr. Macaulay argued that the company was entitled to a fair return on the value of its property. Utility Commissions in theUnited States had considered 8 per cent. a fair return, and he also thought this reasonable. Experts had placed the depreciated value of the property at $137,000,000. On this he could express no opinion, but if the figure were put at even $125,000,000 8 per cent. would be $10,000,000. The company was only asking $7,000,000.

He said that actually the company does not even ask that. It asks only for enough to pay its interest charges, and dividends at the present rate of 8 per cent., a total, taking the figures of 1925 as a basis, of $5,500,000, and in addition a reasonable margin for contingencies. He believed that the commission would never allow it to pay dividends beyond 8 per cent., and earnings which can never reach the shareholders have no value except to provide safety. The maximum return that the shareholders would receive, he said, would be less than five and a half per cent.—on the lowest valuation of their property reasonably conceivable. Mr. Macaulay considered the company's request not merely justified, but generous.

As to the margin asked beyond dividends, no company could safely distribute its entire earnings. It must provide for unforseen contingencies. This is particularly true of a business based on an invention. Who can tell what further inventions the future has in store? The telephone surprised and injured the telegraph companies; wireless surprised the cable companies, and if they had not had great reserves the results might have been serious. Who will say that it is impossible that some development of the radio may surprise the telephone companies? If the public were allowed the use of the Bell Telephone property at a low rate of interest, while the shareholders had to run all the risks, it would be a case of heads we win, tails they lose.

Mr. Macaulay considered it necessary to have a generous allowance for depreciation and obsolescence, and surplus earnings of at least 3 per cent. on the capital—not for distribution, but to furnish safety.

If dividends were cut to 7 per cent., the stock would drop to 110, and probably to par. This would not only injure the shareholders who had invested in good faith; it would shake confidence in all Canadian securities. It would take the stock from the investment group to the speculative group. It would also make it difficult, if not impossible, for the company to raise the huge sums it will require in the next few years if it is to properly serve the public. Much of this money must be obtained by selling stock to the shareholders, but if the dividend be reduced, the shareholders are not likely to subscribe for much new stock at par.

Mr. Macaulay said that about three years ago the light and power company which serves the suburbs of Chicago were paying but 7 per cent. dividends, and its shareholders declined to take all their allotments of additional stock (no par value) though offered them at 93. Now that the dividend has been raised to 8 per cent., the shareholders readily take new stock at 100. Last year the New England Telephone Company had to cut its dividend because of delayed relief from the Massachusetts commission, and its stock dropped to 95½.

Mr. Macaulay considered that Canadian companies must be treated as well as similar companies are treated in the United States, or Canadian capital would be driven into American investments. The four companies shown on the chart are on exactly the same basis—all are monopolies, all pay 8 per cent. dividends, and all are subject to government commissions. For the five years Commonwealth Edison, which serves Chicago, had an average surplus of $3.15 a share; Detroit Edison, $3.43; Brooklyn Edison, $6.95; and Bell Telephone of Canada, 26 cents. Unless the Canadian company were allowed to pay dividends equal to those of American companies, and to have equal margins of safety for the protection of its shareholders, conservative Canadian investors might be expected to prefer stocks of American companies.

Mr. Macaulay considered that the stock of the Canadian company was selling on its past reputation. He, however, had great confidence in it, because he had great confidence in the commsision.

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THE estate which your industry and enterprise have created, which some day you intend for the support of your dependents—your wife, who is everything to you—the children who have brought much joy into your life—that invalid mother or sister—that less fortunate brother or son—what steps are you taking to conserve your estate so that the income may be secured for their support?

To a business man facing such questions our Booklet on Wills furnishes a complete answer, giving much useful information on this important subject. We shall be glad to send you a copy on request.

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ESTABLISHED 1882

W. G. WATSON, *General Manager.* H. M. FORBES, *Asst. General Manager*

Toronto Ottawa Winnipeg Saskatoon Vancouver

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OFFERS you the comprehensive service of an organization which has the confidence of a clientele extending from coast to coast. With branches throughout the Dominion, and a board of Directors of wide experience and conservative methods, this company enjoys continued growth in public appreciation.

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Acts as

Executor, Trustee, Administrator, Guardian, Registrar and Transfer Agent, and in all Trust or Agency Capacities.

Ontario Branch Office

CANADA PERMANENT BUILDING TORONTO

18

THIRTEENTH ANNUAL

Financial Statement and Directors' Report

WESTERN GROCERS LIMITED

WHOLESALE GROCERS

At the Annual Shareholders' Meeting of Western Grocers, Limited, held at the Head office of the Company, the following were unanimously re-elected Directors of the Company:

W. P. Riley, W. H. McWilliams, Andrew Kelly, H. W. Hutchinson, E. E. Hall.

The Directors' Report and Annual Statement for the year 1925 was presented and unanimously approved.

President W. P. Riley announced that the Board of Directors had declared a quarterly dividend on the new Preference Stock of 1¾% for the quarter ending March 31st, 1926, payable June 15th, 1926, to shareholders of record May 31st, 1926.

At a meeting of the Board of Directors following the Annual Meeting of Shareholders, the old Officers of the Company were re-elected.

Report to Shareholders

In submitting the Thirteenth Annual Statement covering the year ended December 31st, 1925, your directors beg to report:

After deducting all operating expenses, making adequate provision by way of write-offs and reserves for bad and doubtful debts; writing off $15,461.46 on delivery, office, and warehouse equipment; writing off $14,605.19 on buildings; and setting up $15,600.00 as a provision for Dominion of Canada income tax for 1925, the net profits for the year amount to $140,911.90. This, added to the total surplus and special reserve carried forward from last year, makes a total of $232,271.89, which was dealt with as follows:

Depreciation on Buildings for 1924	$ 14,499.05
Additional Income Tax for 1924	2,774.68
Reserve carried under By-law No. 10	59,715.00
Surplus	155,283.16
	$232,271.89

The surplus account and special reserve, as will be seen from the balance sheet, now amount to $214,998.16.

You will also note that this statement includes a depreciation on buildings of $14,605.19 provided for in 1925 operating expenses, as outlined above, and another item of $14,499.05, depreciation on buildings for 1924, taken out of the surplus account early in 1925.

Our inventories of Merchandise were conservatively made. All merchandise was priced at cost or replacement values whichever was the lower.

Your company has no bonded indebtedness other than the unmatured real estate mortgage of $65,000 and interest, which is a part of the original mortgage carried on our Vancouver building when acquired from its former owners.

Your directors after due consideration sold the Company's business at Regina, Sask., and purchased the business of the Northern Grocery Company at Fort Frances, Ont., leaving the number of jobbing points in which we have branches at fourteen, as formerly. Your directors also purchased the business of the Brandon Grocery Company at Brandon, Manitoba, during the year and consolidated it with our own branch at that point.

General trade conditions in Western Canada showed improvement during 1925, and the improvement was reflected in our earnings, as this statement shows. Your company is in a strong position financially. Its liquid position is also good.

Balance Sheet

WESTERN GROCERS LIMITED

As at December 31st, 1925

After giving effect to Capital Adjustments approved February 17th, 1926.

ASSETS		LIABILITIES	
Current and Working Assets—		Bank Loans, secured	$1,349,500.00
Cash on hand and in banks	$ 101,336.05	Acceptances and Accts. Payable to trade creditors	421,161.89
Merchandise, at cost or under	1,712,342.19	Total current liabilities	$1,770,661.89
Accts. receivable, customers'	1,366,484.47	Mortgage, with interest accrued to date	65,350.00
Sundry debtors, including advances on merchandise	97,718.80	Preference Shareholders ($2.50 per share due the holders of old preference certificates as per plan of Capital Stock readjustment)	59,715.00
Prepaid insurance, int., etc.	31,804.86	New Issue, 7% Pfd. Stock 11,943 shares of $100.00, fully paid	1,194,300.00
Total current and working assets	$3,310,176.37	New Issue, No-Par Value Com. Stock, 16,943 shares fully paid	1,022,862.74
Investments—Real estate, not in use for warehouses and other investments	74,200.00	Surplus	214,998.16
Warehouse Properties—Real Estate and Buildings, less depreciation	861,875.79		
Plant and Equipment—Including automobiles, motor trucks, office & warehouse equipment, less deprec'n	81,635.63		
Grand total assets	$4,327,887.79	Grand Total Liabilities	$4,327,887.79

HEAD OFFICE—WINNIPEG, MANITOBA

BRANCHES:

Brandon and The Pas in Manitoba. Moose Jaw, Saskatoon, Yorkton and North Battleford in Saskatchewan.
Lethbridge and Edmonton in Alberta.
Cranbrook, Nelson, and Vancouver in British Columbia.
Port Arthur and Fort Frances in Ontario.

President, W. P. Riley. Directors: W. H. McWilliams, H. W. Hutchinson, Andrew Kelly, E. E. Hall, Winnipeg.

NEW RAILWAY IN ALBERTA

EDMONTON.—Commencement will be made shortly on construction of the proposed branch line of the E. D. and B. C. railway northwest from a point near Busby, north of Edmonton. The line will traverse the Pembina Valley, a rich farming territory.

The Investment History of the C. P. R.

Financial Difficulties in Construction Days Were Serious — Riel Rebellion Helped to Bring Line to Completion — Last Spike Was of Iron

By RIELLE THOMSON, Eastern Editor, The Financial Post — Third Article

WHEN finally the Canadian Pacific Railway Company was granted a charter to build a railway across the prairies it was given also authority to construct telegraph and telephone lines, docks, vessels and elevators. Its charges could not be reduced by parliament until after 10 per cent. profit had been made on the capital expended in the construction of the railway and only after the net income of the company had exceeded 10 per cent. on the same amount. Thus, the company was first incorporated with a capital of $25,000,000. The ratification of the contract was finally completed early in 1881 by a vote in parliament of 128 to 49.

On March 3 of that year $5,000,000 of the authorized capital had been subscribed for at par and the first installment of 30 per cent. was paid up.

The government had already contracted for the completion of that section between Thunder Bay and Selkirk and by 1882 the company had a through rail and water route from Selkirk to Montreal.

In November of 1881, the railroad under the untiring driving force of Van Horne had been pushed to Brandon, 145 miles west of Winnipeg. At this time, it had been decided to forego the easy grades of the Yellowhead Pass and to choose a more southerly route through the Rockies. This was done to check possible competition from the Northern Pacific Railroad and to meet the demand of settlers in the southern area.

Duties of Personnel

At that time, and until long after its completion, Stephen and Smith were in charge of the financial arrangements, Van Horne was the driving force which moved men, beasts and rails across the prairies, and Shaughnessy acted as quartermaster-general in Montreal, purchasing and, later, arranging the credit terms when the road got into financial difficulties.

In 1883, due to various difficulties, such as those instituted by interests close to the Grand Trunk, who did their utmost to discredit the new road, the company found itself without finances. It could not raise money on its lands, nor could it raise money on its stock. Although the first issue of $5,000,000 had been subscribed at par, the sale of the authorized total of $25,000,000 realized only 40 cents on the dollar. Finally, upon the insistence of the company, the government authorized an increase in the capital stock from $25,000,000 to $100,000,000. To market this stock under favorable circumstances, a dividend of three per cent. was paid.

Late in 1883, the company again found itself without funds and submitted a definite proposition to the government by which it might continue its work the following year.

Stock Sells Lower

Stocks to the extent of $55,000,000 had already been issued and conditions in the market made it impossible to issue more. Further government assistance in the matter of the payment of dividends was asked for and obtained, but the questionableness of such a policy met with little success and the stock could not be sold at a reasonable price. In December, 1883, the stock was quoted at 57.

It was estimated, at this time, that about $27,000,000 was required to complete the road. The company again went to the government with a request for a loan of $22,500,000 and for further concessions. An act embodying the terms of this agreement, after bitter protest from the liberal opposition, was sanctioned by parliament.

Following these financial arrangements and preparations, location and construction work were again speedily pushed forward in 1884, and completion of the road was predicted in the fall of 1885. In the meantime, the C.P.R. had been active in acquiring various roads in Eastern Canada, such as the Toronto Gray and Bruce Railway, leased in 1883. These acquisitions gave it better terminal facilities and secured access to important port connections, such as Owen Sound, which gave it a larger share of the traffic shipped from the west to western Ontario and the east.

Troubles and Triumphs

By the beginning of 1885, due to the road's rapid march across the prairies and its expansion in the east, the railway found itself again in financial difficulties and again had to obtain government aid in the form of a government guarantee of a new issue of $35,000,000 in bonds. This again met with considerable opposition in parliament, but the government finally gave its consent.

It is doubtful whether the road would ever have been completed under its present ownership, were it not for Riel's second rebellion in 1885. The assistance given by the railroad in the transportation of troops made a strong impression on the public mind and, in consequence, made easier further government aid. Finally, on November 7, 1885, Donald A. Smith drove the last spike in the Canadian Pacific railroad at a spot in the Rocky Mountains. There is an interesting point here, for, with the exception of the officers of the road, all who witnessed this interesting sight paid their own fare and the historic spike was made of iron!

The road had been finished. This is not the place to dwell on the herculean efforts to lay the steel through the barrier of the mountains nor the obstacles in driving the road through alternate muskeg and rock north of Lake Superior. Interestingly written books ably tell the story of how Van Horne pushed the rails at the rate of twenty miles and more a day across the prairies and how the "Big Four," Stephen, Smith, Van Horne and Shaughnessy behind the undertaking finally bound Canada into union by a steel girdle—completed and completed efficiently in 1885, six years before the date specified in the contract.

Next week's chapter in this series will discuss the assistance granted by the government to the promoters of the C.P.R.

No gold spike was used when the C.P.R.'s completion was celebrated in 1885. Donald A. Smith drove a spike of iron and the guests paid their own fare to Craigellachie. Incidentally, in pronouncing Craigellachie, the accent must be put upon the second syllable. The word is Gaelic for "stand fast." When the C.P.R. was in its darkest hours and George Stephen was struggling with London bankers to get more money he cabled to the workers back home "Craigellachie!"

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Financial Assistance

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PAID UP CAPITAL AND RESERVE $1,259,430.36

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Branches: Saskatoon and Calgary.

INVEST YOUR SAVINGS

5% Interest Return

in a 5% DEBENTURE of The Great West Permanent Loan Company

SECURITY

Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,420.00

HEAD OFFICE, WINNIPEG

Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

Woods Manufacturing Company, Limited

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Yes! It is the most Modern method, "Via Marconi"

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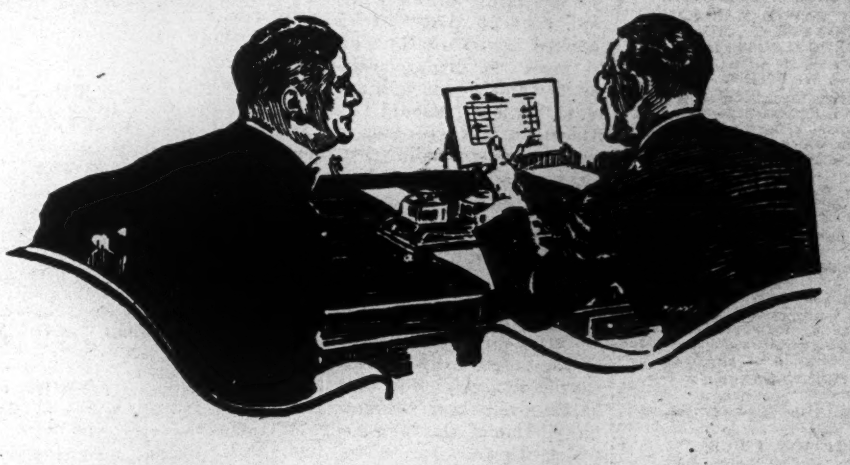

Your Business Problems—

A confidential chat—

with one of our trained representatives may open your eyes to many ways of improving your present financial position.

A means of strengthening credit—

for instance, can often be discovered through a special analysis.

Life Insurance—

may or may not be the solution of your problems, but we cannot tell without your assistance.

Let us answer some of your questions, and you can then judge for yourself as to our ability to serve you.

You incur no obligation by writing us a letter

Canada Life Assurance Company

Head Office, 46 King St., W., Toronto, Canada

Prudential Assurance Company, Ltd.

of LONDON, ENGLAND

Seventy-Seventh Annual Report

Balance Sheet on 31st December, 1925

ASSETS:		LIABILITIES:	
Mortgages on Property	$ 46,608,292	Capital Paid up	$ 6,000,000
Loans on Parochial and other Public Rates	53,518,943	Life Assurance Funds	858,298,047
Loans on Life Interests	3,460,418	Insurance Funds, Other Departments	7,475,580
Loans on Reversions	102,063	Investments Reserve Funds, Ordinary and Industrial Branches, at 1st Jan.	33,750,000
Loans on Stocks and Shares	13,801,500	Common Contingency Fund, including Transfer from Profit and Loss Account	6,250,000
Loans on Companies' Policies	17,689,185	Contingency Funds	3,010,982
Loans to Educational Institutions	104,153	Claims Unpaid	2,448,569
INVESTMENTS:		Annuities Due and Unpaid	15,794
5% War Loans, 1929-1947	480,311	Outstanding Commissions and Expenses	1,075,000
British Government Securities	351,552,467	Due to Re-insurance Companies	799,518
Bank of England Stock	769,070	Deposit as Security for Return of Securities Borrowed	23,500
Municipal and County Securities, United Kingdom	21,197,312	Reserve for Income Tax	102,260
Indian and Colonial Government Securities, Provincial and Municipal	73,536,266	Reserve for Bonus to Members of Company's Outdoor Staff	2,201,468
Foreign Government Provincial and Municipal Securities	59,911,267	Balance Standing to Credit of Profit and Loss	4,250,000
Railway Stocks and Bonds, Home and Foreign	207,909,600		
Rent Charges	1,144,617		
Freehold Ground Rents and Scotch Feu Duties	24,654,923		
Leasehold Ground Rents	17,576		
House Property	27,305,723		
Life Interests	177,146		
Reversions	2,377,994		
Agents' Balances	225,809		
Outstanding Premiums	6,172,873		
Outstanding Interest, Dividends and Rents	1,348,340		
Interest, Dividends and Rents accrued but not Payable	3,730,692		
Due from Re-insurance Companies	1,058,823		
Sundry Debtors	5,430		
Bills Receivable	481,124		
Marine Stamps	13,509		
Cash in Hand and on Deposit	6,345,287		
	$925,700,713		$925,700,713

Above figures computed at $5 to the £1 sterling

We have examined the Cash transactions (Receipts and Payments) affecting the accounts of the Assets and Investments for the year ended 31st December, 1925, and we find the same in good order and properly vouched. We have also examined the Deeds, Share Certificates and bonds in possession of the Company, and have verified by Certificates of Bankers or other Depositaries the Securities and Cash in their custody, which together represent the Assets and Investments set out in the above account as on the 31st December, 1925.

16th February, 1926. DELOITTE, PLENDER, GRIFFITHS & CO., *Chartered Accountants.*

CANADIAN HEAD OFFICE: 10 ST. JOHN ST., MONTREAL
Kenneth Thom, Manager for Canada

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Editor—J. W. TYSON.

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The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MAY 14, 1926

The Financial Post's Platform for Canada

Promote national unity.
Reduce taxation; curtail public waste.
Conserve Canadian resources for Canadians.
Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

LABOR'S STAKE IN INDUSTRY

IN THE course of his recent address in Toronto, Tom Moore, president of the Dominion Trades and Labor Congress, declared that labor was more interested in the success of industry that was capital. Investments, he explained, were usually surplus funds of the investors, whereas to the worker his job was everything—a one hundred per cent. interest.

The Financial Post has frequently urged that manufacturers should recognize this interest of the workers in industry, and has criticized certain self-appointed spokesmen of the C. M. A. for arousing the antagonism of organized labor by their driveling utterances and muddling activities.

The big representative men among the Canadian manufacturers and the main body of industrial employers have always recognized the big stake of the worker in his job. They are fully in accord with J. H. Fortier, the present head of the C. M. A., who told the Canadian newspaper publishers recently that the big capitalists can take care of themselves, but that industry must be protected for the workers; he said:

> "When the government announces a cut in the tariff on motor cars of all sorts, let us be less concerned with the effect of such a move on big manufacturers like Henry Ford and Alfred Sloan, who can well take care of themselves, but let us consider the situation created for their Canadian employees, the cities where they live, the local and national trade that their buying power helps along and the traffic for our railways.

With men like Mr. Fortier directing the affairs of the C.M.A., that organization would soon become a real factor in promoting industrial stability and prosperity. What is needed is a permanent executive head of the Fortier or Elmer Davis type.

NOTHING FOR PROGRESS

IT IS estimated in the States that it takes three-fourths of the gross production to maintain the people of the country in ordinary comfort. The balance alone can be considered a surplus beyond the minimum necessities of life. The various federal, state and municipal governments take about one-eighth of the total revenues from production in the form of taxes. American business men consider it a very onerous burden that half of their net production is taken by the government, leaving only one half available for building up new wealth, carrying on research, stimulating advancement in industry and science and raising standards of civilization.

But if the Americans consider that heavy taxation, let them look at Canada. In this country, estimates of the proportion of our gross production that is paid in taxes vary from 20 to over 25 per cent. Assuming again that three-fourths of our total production is necessary to sustain life, there is anywhere from nothing to only five per cent. of our gross production that is really working to advance Canada's wealth and our standards of living. There can be no real, permanent progress under such a condition.

THESE MISUNDERSTANDINGS

AN AMERICAN industrial leader, speaking in Canada not long ago, recalled that Charles Lamb remarked about someone he was asked to meet: "I don't know him and I don't want to know him, because, if I did I know I should like him." The American was speaking on the subject of understanding between farmers and industrial producers.

There is a little bit of the same spirit in Canadian sectional and class differences to-day.

A LESSON FOR MUNICIPALITIES

THE final curtain on litigation arising over Toronto's purchase of the street railway assets has been rung down with the city losing the battle over interest due the company. Out of the long series of cases which Toronto forced to the courts, other municipalities should note carefully, the city lost at every turn. The ratepayers of Toronto paid handsomely in costs for these fliers in litigation which their pseudo politicians led them into.

Toronto people were misled from the start in regard the amount the city would have to pay for the railway. The city fathers said perhaps six or eight million at the outside. The arbitration award was not far from 33 per cent. higher. To make matters worse, the city then launched a series of court attacks which netted the ratepayers nothing but costs.

Municipalities, like any other litigants, must stand on their own feet when they enter the courts.

UNFORTUNATE—BUT TRUE

The best news contained in the annual report of the Canadian Government Merchant Marine is the fact that during the past year eight ships were sold. Undoubtedly, the C.G.M.M. has been handicapped, for it purchased its vessels at a time of peak prices, but both Great Britain and the United States were at one time in a similar situation.

At the close of the war, Great Britain sold her government owned ships as rapidly as possible and got out of the business. The United States operated some of its ships, sold some, and has tied up a lot in various ports where they are slowly, if not rotting away, at least depreciating. Had Canada pursued a similar policy and had tied up or even given the ships away it would have been better off to-day.

The fact that the shipping business is, and will remain, subject to world-wide competition precludes the possibility of unfair rates and, therefore, it does not require government ownership to assure satisfactory service.

GIVE AND TAKE

THE old advice to "Go west; young man" was given a new slant the other day by Elmer Davis, retiring president of the Ontario division of the Canadian Manufacturers' Association. He told the annual meeting of the association in Hamilton that the business men of Canada should go west to study the viewpoint of the prairie farmer.

"If we consider the farmers narrow in their views, let us remember that not all of us are broad in our views. Let us go west and get the farmer's point of view. But we must go with open minds and with no pre-conceived notions. We should get their ideas on national questions; lay them beside our own and then form new conclusions."

This was a significant passage in a striking address that evidenced a practical broadening of viewpoint among manufacturers. Another significant feature of the manufacturers' meeting was the presence, as a guest at the head table, of A. W. Amos, a former president of the Canadian Council of Agriculture.

National unity will be builded upon such broadmindedness; in short, upon that spirit that is best described by the rustic but incisive phrase—give and take.

EDITORIAL NOTES

IN EUROPE skilled workers in the building trades receive from $7 to $20 a week. In Rome, it is $7, the lowest, and London and Copenhagen $20, the highest. In New York the same class of labor receives $66 to $72 a week.

* * *

THE British embargo against Canadian cattle having finally been battled down because the foot and mouth disease menace was shown to be a myth, there is something naive in the suggestion of the Morning Post that Canadian exporters should themselves forego the privilege of shipping cattle to England because of the misery suffered by the animals from sea-sickness, etc., while in transport.

* * *

IN COMMENTING upon the action taken by the local police commission in refusing to grant any further licenses to pedlars in the city, the Hamilton Herald states:

> Many a housewife will feel grateful to Magistrate Jelfs because, as chairman of the police commission, he took a decided stand against granting licenses to house-to-house pedlars. This sort of traffic, Mr. Jelfs said, is a public nuisance; and besides, it is not fair to encourage such competition with the legitimate trade of local merchants, who are obliged to pay rent and taxes.

Clifton H. Carlisle—A Man Who Has No Giving-up Point

Began to Learn a New Business, at the Age Most Men Think of Retiring—The Story of the Goodyear Tire and Rubber Company of Canada is the Story of Carlisle

By FRANK J. AYEARST
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A LEADING New York banker, who is widely known for his uncanny judgment in selecting men for the big industrial executive positions, when asked what "yardstick" he used to measure these men, replied: "Tell me a man's giving-up point, and I will tell you, your man." Clifton H. Carlisle's giving-up point has yet to be discovered.

The inception of the Canadian Goodyear Tire and Rubber Company was most humble. C. H. Carlisle and two assistants were its personnel in March, 1910.

Many people are familiar with the start that was made in 1910, but very few indeed have ever heard what influenced Mr. Carlisle to bring the Goodyear Company to Canada in general, and Toronto in particular.

During a visit to the automobile show in Toronto in 1909, Mr. Carlisle had received a very favorable first impression of the city and its citizens. This, combined with a realization of a wide, open opportunity for a well-organized tire-selling business, influenced him to come to Canada, and the story in his own words is worthy of consideration. "I had been engaged by Goodyear Tire & Rubber Company in organizing branches for them in such cities as Boston, Baltimore, Cleveland, St. Louis, and Philadelphia; and I had learned the surest, most complete method of judging a community's worth is by that infallible barometer—the store windows. The thrift, the tastes, the general worthiness of the citizens is reflected in their displays. Toronto's window displays were all that could be desired, and, in order to confirm the impression they gave me, I rode on street car after street car; I studied the people, and listened to their conversations. On going up Yonge Street, I rode on no less than four different cars; and of all the places I had ever been, I thought the people as a whole were the most courteous, the most contented, the best-dressed looking lot I had ever seen. Then, too, there were less of what we have come to regard as undesirable foreigners to be seen on the streets. You know one may get an idea of a city's buildings by riding around in an automobile, but a knowledge of the people that really make the city can only be gained on the streets and the street cars."

The soundness of Mr. Carlisle's business philosophy was not substantiated in the early operations of the new company.

The first year's business showed sales of a little over $86,000—and a very substantial loss on the year's operations.

Speaking of the early days, Mr. Carlisle said: "I well remember how impatient my bookkeeper was for pay-day to come, so he could get his salary. before we went broke."

But they didn't go broke. Ten years later, in 1920, the sales had reached an amount in excess of $19,000,000; and the Canadian Goodyear Tire and Rubber Company had become the largest manufacturer of rubber goods in Canada.

Where Courage Counted

The aftermath of the war, with its deflation and period of tight money, brought the failure of the company's largest debtor, and a resultant loss of the staggering sum of $5,000,000. To a man, who had any giving-up point, bankruptcy seemed inevitable. But to a man of the sterner qualities, the easiest way out was not worthy of consideration. I know for a fact that it was not any personal loss that might come to him, but the loss to shareholders, to creditors, and to Canada of a great Canadian enterprise, that gave Mr. Carlisle the courage to refuse to acknowledge defeat. Some unknown poet has said:

> "The time to succeed is when others, discouraged, show traces of tire. The battle is fought in the home-stretch, and won 'twixt the flag and the wire."

The story of how bankruptcy was avoided, how the company was rehabilitated, is outstanding in Canadian finance. Someday the story may be told; and, when it is, it will show that character is capital, and, when it is combined with energy and courage, the impossible is very often possible.

Finding the Way Out

When the crisis came, Mr. Carlisle did not for one moment lose his balance. but laid well-defined plans, which. when executed, resulted in the industry being saved for Canada and every creditor received one hundred cents on the dollar. and interest from the date their accounts were in arrears. It was the supreme triumph of character, of the reputation of always putting oneself in the other fellow's shoes, and of doing as one would like to be done by.

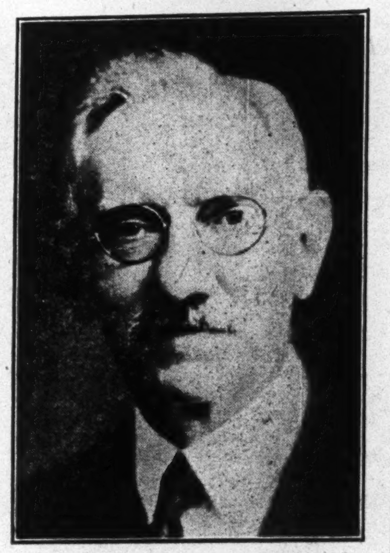
The attitude of the interested banks and of the ordinary creditors is pretty clearly illustrated by what one of the largest of the creditors said to Mr. Carlisle when the trouble came: "I want to see you go ahead; if I get all of my claim I will be grateful; and if I don't, we will still be friends." These men were amply repaid for the confidence they had shown in a man who had demonstrated that he was worthy of confidence—a man who does not preach but instinctively lives the "Golden Rule."

To-day, the Canadian Goodyear Tire and Rubber Company does not owe a single dollar of fixed indebtedness, and it has accumulated a surplus of over two million dollars. From three employees the company has grown to one with a pay-roll of about 3,000.

Early this year it became advisable to establish a mill for the manufacture of the 4,000,000 pounds of cotton used in the building of Goodyear tires. A plant was purchased in Quebec and to-day it furnishes the livelihood for 500 people engaged in the manufacturing of this cotton.

Carlisle New President of Goodyear of Canada

The announcement this week of the election of C. H. Carlisle, as president of the Goodyear Tire and Rubber Company, Limited, of Canada, will come as no surprise to anyone with even a casual acquaintance with the affairs of Canada's largest manufacturer of rubber goods. In speaking of the appointment, he said: "A title really doesn't mean a thing; my trials and tribulations will not be changed by so trivial a thing." Ever since the inception of the company he has borne the burdens and responsibilities that go with the chief executive's position.



Protecting Shareholders

A recent example of Mr. Carlisle's respect for the other person's position is furnished by a letter sent to company's shareholders on the 28th of April. When the new budget brought confusion to the motor and allied industries, some of their securities were subjected to a market decline not justified by a change in their intrinsic values. The head of the Goodyear Company felt that some of his shareholders were taking unwarranted losses, and, with their interests uppermost in his mind, he wrote them a letter, closing as follows: "There is no condition in the affairs of this company that warrants the recent drop in the price of its stock. Your company has a very low capitalization, a large and well-diversified output, and an exceedingly large distribution of its products. Your investment is perfectly secure both as to capital and dividends. This information is given you so that you may not dispose of your stock through misapprehension and, therefore, sustain a loss."

Go Straight Ahead

I asked Mr. Carlisle what he had learned in climbing the ladder of success that he could pass on to aid other struggling young men. He replied very deliberately: "Honestly, not simply as related to the handling of money, but honesty of purpose. The following of a plain, straightforward course avoids all sort of complications. Some person has said, "simplicity is a sign of greatness,' and, after all, life is a simple thing, and if it is complicated it is because we ourselves make it so. Honesty of purpose commands confidence, and a consideration of the other fellow's position, whether he be the janitor or the president of your bank, always pays, not in dollars alone, but in happiness as well. Of course, a fellow must have courage; without it he will never arrive at any worthy goal.

"The boy who is brought up on a farm has certain advantages in the way of early training. I know of no other place where one learns the value of money as thoroughly as on the farm. When night comes they are generally too tired to seek the temptations of the larger places and they go to bed and sleep. They get the exercise and the food that builds the strong bodies which will stand them in good stead in after years. During the day they have a chance to think over what they have read on Sundays and evenings. They have learned to think and work in a manner that evolves sound principles. Their close contact with nature and the study of it enables them to so often reach the top in their chosen work.

"A young fellow should learn to really think, to read and to plan his life along sound lines. I had all mine made when I was fifteen, and have never changed them in regard to principles. I have never played poker for three reasons: first, it seemed to me an investment of time that paid no dividends; secondly, I could not afford to lose the money; and. in the third place, I did not want the other fellow's money. I also made it a habit of my life not to say anything in speaking that I was not prepared to put down in writing. And I never wrote anything that I would not sign with my own name."

Started on the Farm

Mr. Carlisle should be able to speak with some authority on the benefits derived from an early farm life, as the first seventeen years of his own were spent in that environment. When he was left an orphan at the age of six years, he went to live with an uncle on his farm. He attended the country school during the four months' winter term. This necessitated a walk of three miles every day, regardless of how stormy the weather might be. The stock had to be fed before the trip to school, and again on the return in the evening. If our appreciation of things is in direct proportion to their cost, it is little wonder that Mr. Carlisle put such a high valuation on an education.

At the age of fourteen he had developed a rather remarkable capacity for clear, analytical thinking—a quality that enables one to differentiate between the cause and the effect.

Speaking of how he had made his life plan at so early an age, he said: "It is astonishing how few people really think. Even on the farm I realized that only too often things were done a certain way, simply because a man's father before him had done so. These people didn't seem to think or else they would have found a better way of doing a good many of the comparatively simple tasks. Yes, after all, mental alertness is the secret of efficiency." It was little wonder, that a boy fond of studying, a boy who had learned to think for himself and who had some very definite plans as to how he intended conducting his life, was not to be contented with life on a farm that was narrow and limited in its opportunities for self-development and service.

He had developed a passion for mathematics and, with 52 cents cash and a million dollars' worth of ambition, he set out to secure a college education. In order to secure the necessary investment capital it became urgent for him to create some means of securing a little ready money. He immediately launched out in a business of painting and decorating, which from the start was sufficiently lucrative to a one of so frugal tastes as to enable him to complete his college education. He had done some work as a tutor of mathematics and at the end of his college days found himself with a surplus of two hundred dollars.

As a college graduate a pedagogic career seemed to be the natural selection. In this line of endeavor he became the superintendent of schools in Ohio and also acted as district examiner for the United States Military and Naval Schools.

The Call to Business

Then came the call to business, a field which promised to furnish larger opportunities for development. A position was secured with a large department store, and, six years later, Clifton H. Carlisle had risen to an advanced position in the store.

Always a keen student; his attention was drawn to the rapid growth of manufacturing of tires. Then a man of forty, an age when most men begin to think of the time when they can retire, he had the courage and the vision to burn all of the bridges behind him and to start again at the beginning. Starting as an apprentice, when over forty years of age, he spent two years learning the business of rubber manufacturing. At the end of this period he came to Canada and made the new start with the success already mentioned. One cannot help but ask oneself how many men one has known, who would have had the vision, the courage, and the judgment to make a new start at the age of forty, when they realized they had come to the end of a blind-alley.

I asked one of Mr. Carlisle's closest associates what in his opinion was his outstanding quality, and the answer was rather unusual and enlightening: "He is the most tolerant person I have ever met; he is tolerant in his views, exercising that toleration which is begotten of wide experience and intimacy with great affairs. He has helped a good many needy people, and does not seem to be a bit disturbed if his kindness goes unappreciated. But the real foundation of his success is his character—he is the most thoroughly honest man I have ever come across."

With Golf Club and Gun

Clifton H. Carlisle's special hobbies are golf, fishing and hunting. His reception room makes one feel that it belongs to the editor of some sportmens' magazine, rather than that of a very busy industrial executive. On the walls are a number of photographic fish stories, which would be pretty hard to believe were it not for the camera's evidence. I discovered him the other day preparing for a pilgrimage to the trout streams of Quebec, which he annually visits with such other students of Issac Walton as Walter C. Teagle, president of the Standard Oil Company. When I remarked to him that under present conditions I did not envy him his position, but I did feel a little envious of his fishing trip. he grimly replied: "That is one thing they can't take away from me: every spring I get my fishing trip in. and in the fall I never miss the hunting."

Needless to say he is a very keen student of public questions. and is widely read. But it was interesting to know. that various scientific works and particularly scientific research papers held for him a special charm. One is amazed at the multitude of subjects with which he is thoroughly conversant; his is a well furnished mind, with a breadth in keeping with that of his sympathies.

In speaking of the advantages to be derived from broad reading he cited astronomy, a study of which will cure the most confirmed of egotists. "When a man realizes you can put our earth in the centre of the sun, then set the moon to revolve about it; and that to go from the edge of the moon to the outside of the sun, one would have to travel 22,000 miles, they are apt to feel that the little niche they fill in the scheme of affairs is pretty small after all."

A Citizen of Canada

A fact not commonly known is, that in 1919, Clifton H. Carlisle took out Canadian citizenship papers. Although born in United States, his mother was Irish and his father Scotch, and by blood at least, he is a Britisher. When I asked him how he came to take out Canadian papers, he replied: "On account of my parentage I have always considered myself British; I have traveled much, and of all the places that I have seen, I like Canada the best."

In these days, when we hear so much of the debt the United States owes to Canada for the brains we have sent to help develop her, can we not feel that she has done something substantial to meet this debt in giving to us Clifton H. Carlisle?

EXCLUSIVE FRANCHISES

Peterborough Examiner: It is stated that at present no legislation exists by which municipal councils can grant an exclusive franchise of their city streets to motor transportation companies.

The control of motor buses on the provincial highways rests with the Ontario government, which can grant such franchises over any section of the provincial roads it sees fit, but so far as urban streets are concerned there is no provision made for municipal councils to grant an exclusive franchise.

If this be the case it would seem highly desirable that a bill giving municipalities such power should be passed, inasmuch as it is apparent that conditions might quite easily arise in a number of cities—including Peterborough—which would make it desirable to grant an exclusive franchise to a bus company to secure the desired service.

It is a problem of to-day that cannot be dealt with under old legislation, and must be handled by new methods.

Wheat

We have prepared an informative and interesting pamphlet dealing with wheat from the time it reaches the country elevator until it is marketed.

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Puts and Calls

Ottawa Reader: Is dealing in Puts and Calls and spreads considered legitimate and if so could you give me the names of any reliable brokers that handle them?

We are not aware of any brokerage house in Canada dealing in puts and calls and this fact would seem to indicate that this mode of stock speculating or gambling is not in favor in Canada. Marginal trading is the only method practiced by Canadian brokers outside of outright purchases.

Drummond Apartments

W. G., Preston.—I should like to obtain your opinion of the Drummond Investment bonds please.

The Drummond and the Drummond Court Apartments are located in one of the best apartment house sections in Montreal. Last year, the earnings applicable to the bond interest amounted to $212,645 as compared with bond interest requirements of $127,811.

During the year, the company also redeemed $50,500 of its outstanding bonds and the amount of the 6½ per cent. bonds now in the hands of the public totals $1,949,500. This latter figure should be compared with the company's fixed assets of $4,111,547 against which it has also a depreciation reserve of $78,333.

From these figures you will see that these bonds constitute one of the better type of real estate mortgage offerings. At the present time, the bonds are being offered at 101 and the bid price is 99.

British Petroleum

Reader, Saint John.—What information can you give as to holdings of British Petroleums in Wainwright and Turner Valley? Are the leases well located? Why did they stop operating?

British Petroleums controls about 60,000 acres of well located leases in the Wainwright field and 40 acres in Turner Valley field. The company has stopped drilling because of lack of finances and is now placing its acreage with reputable concerns to be drilled on a royalty basis. The Turner Valley acreage is next to Home Oils and the company intends to wait to see the outcome of the drilling operations which that company is carrying on.

Canadian Farm Implement

Reader, New Westminster.—Will you give me information on the financial standing of Canadian Farm Implement, of Medicine Hat? I am interested in the common shares of $1 each. Would it be a better investment in their cumulative preference 8 per cent. shares at $1 each?

We have not had a recent financial statement of Canadian Farm Implement Co. We understand that selling of stock is still going on in this company. We would not regard either their common or preferred shares as an investment. Considerable publicity was given this company as a result of stock selling methods of certain underwriters. This would undoubtedly injure the market for such shares and you might experience considerable difficulty in finding a buyer for such shares if you were forced to convert them into cash on short notice.

Durant Motors

Fairville.—There seems good reason to believe that the Durant Co. will give up manufacturing in Canada. Would you advise holding or transferring into the shares of the American company at a price which would represent only a fraction of that paid for the shares?

Our best information regarding the plans of the Durant Motor Co. of Canada is that the enterprise will be carried on despite the severe blow which has been felt by the reduction in the protective tariff.

The future of the company under the present conditions is, of course, uncertain but we believe you would be better advised to hold your shares rather than sacrifice at the present price, or change into the American company on terms which would now be available.

Tree Line Navigation

C. H. B., Winnipeg.—The Tree Line Navigation Co., Ltd., is putting on a package freight service from Toronto and Hamilton to the head of the lakes. Should this service prove satisfactory? It is being said that the railways do not look with favor on this new transportation venture.

The Tree Line Navigation Company is owned by the Ogilvie Flour Mills Company. The boats are not what would be referred to as new modern package freighters—but they are good ships—and the evidence of this lies in the fact that these ships obtain as high a rate as any other for carrying wheat eastward.

As westbound rates include insurance and as the Tree Line is backed up by such a strong company as the Ogilvie Flour Mills, we believe that you would be perfectly safe and perfectly justified in doing any business with them which you think proper.

We do not believe that the railways do not look with favor upon the Tree Line Navigation Company. In the first place, the railroads cannot compete with the water haul between Montreal and the head of the lakes. Therefore, we presume that the railroads are quite glad to obtain the haul from Port Arthur to Winnipeg, no matter from what steamship line the business originates.

Preferred Shares for Good Yields

Experienced investors are buying the Preferred Shares of well-established Canadian companies, whose record of earnings conveys assurance of safety and future success.

Upon request, we will submit particulars of several attractive investments of this type.

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Finds The Post "Splendid Paper"

May 5, 1926.

The Financial Post—

Enclosed $5 for renewal subscription to your splendid paper. In the last two issues I was greatly interested in your articles regarding the crop reports and the surplus amount of wheat for export from Canada. The information contained therein proved very valuable to me in shaping my course in speculation in grain futures. All future issues will be eagerly watched for information concerning crops.

Yours sincerely,
INVESTOR.

Abana Mines

J. W. L., Quebec.—I have seen much newspaper talk about Abana and before investing any money would like to have your advice.

Abana Mines are a prospect in Northwestern Quebec that is considered to have merit. Diamond drilling has revealed a number of good ore bodies which are to be developed.

Noranda

Reader Mimico.—I am considering buying Noranda for a hold for a year or two. How do you consider these shares?

Noranda shares are well regarded. Of late they have reacted a couple of dollars from the high mark attained on the announcement that a new and rich ore body had been encountered. It is estimated that the company's ore reserves would, if mined to-day, show a profit almost equal to the present market valuation of the proposition.

Dome

H. C., Ontario.—How do you regard Dome at present time?

Dome is quite speculative, though to many it looks attractive around present levels. The production of its Porcupine property is slipping for the present at least, the company having milled more ore in 1925 than it was able to locate and therefore ate into reserves. The company has speculative possibilities, as outside the old property, it has the Howie property in Red Lake under option and is diamond drilling it.

Crown Reserve Mines

Hamilton Banker.—Would like to have your unbiased opinion in regard Crown Reserve Mines. Would you consider selling shares at the present market?

The present level of around 12 cents does not seem to be a favorable one at which to offer Crown Reserve mines. There is a feeling that the proposition should do better and brokers suggest that the stock should be held. The physical condition of the property is improving and the company is said to have enough cash for present needs.

Silverwoods

Reader, Ontario.—A client holds Silverwoods preferred and common. No dividend has been paid. What is the value?, Would it be advisable to sell or hold?

Silverwoods has not been paying dividends, but we are officially informed that the improved earning position of the company and its subsidiaries has been such that disbursements can well be considered in the not distant future. Your client would perhaps experience trouble in finding a market for this stock at present; besides, having held it over the worse period, it would seem that it would be good policy to do so until the market for the shares becomes more active and stronger.

Capitol

Reader, New York. — I purchased Castle some time ago and have a nice profit. I will continue to hold. I have been informed that Capitol presents the same chance as Castle did. What is your opinion?

Your advice that Capitol may turn out as Castle did, seems to have good foundation. The company holds a large acreage of mining lands in the well regarded geological section of Gowganda silver camp. It is surrounded on three sides with producing mines and is regarded as a speculation of considerable merit. It is in good hands.

Vipond, Castle and Gold Hill

Saskatchewan.—How do you regard Vipond, Castle and Gold Hill as a gamble for a business man with a few hundreds to gamble with? Are any of these mines likely to be in the dividend class soon?

All three propositions are in good hands. Vipond will double its mill capacity by June 1 and should then earn around a million yearly. As all expansion and development work is being cared for out of earnings, it will probably be 1927 before dividends are considered. Castle has just made heavy expenditures on power and will likely enlarge its production so that it may be the end of the year before dividends are paid. Gold Hill is still a prospect with indications that a rich little mine will develop.

International Nickel

A. B., Ontario.—I saw a notice in your paper that International Nickel would pay a dividend to shareholders of record March 11. Believing that your paper was right I purchased shares to get the dividend. There is a dispute on the point. Was I misinformed by your paper? I claim the dividend because I purchased the shares on the morning of the 11th.

The record which you saw in our paper, March 5, announcing Nickel would pay 50c. dividend on March 31 to shareholders of record March 11, was an official announcement inserted by the company and paid for by them. Reliable brokers houses inform us that the stock was ex-dividend on the morning of March 11 as transactions on that date would not be cleared until the 12th and as the company would close its books on the night of the 11th such transactions would be too late to get into the records. The same house informs us that on the morning of March 11 the stock dropped over a half point because of its going ex-dividend.

Shareholders' Investments in Brooks Motors Are Largely In Goodwill and Expenses

During the past month The Financial Post has received inquiries regarding investment possibilities of Brooks Steam Motors stock from South Edmonton, Alta., Saskatoon, Sask.. Pangman, Sask., Spring Valley, Sask.. Radville, Sask., Verwood, Sask., Calgary, Alta., and several other points in the Western provinces. From these inquiries it is evident that the stock-selling campaign in connection with this steam automobile project is now being carried agressively forward in the Canadian West as it was in recent years in Eastern Canada. In view of this fact the financial statement recently issued by the company is of particular interest. This statement shows preferred stocks issued and fully paid over $1,000,000; partly paid $291,000; and no-par common $500,000. Against this liability to the shareholders' organization charges and good-will represent a total of over $1,200 000 in assets.

The inquiries being received from the West indicate that the shares of the Brooks company are being offered in units of ten preferred shares with a bonus of 10 shares of common stock for a lump sum of $135. These same shares are being quoted by dealers in unlisted securities in Toronto on a basis about 50 per cent. below the price asked by the salesmen operating in the field. The Financial Post is informed that 10 preferred shares and 20 common shares can be had for around $65.

Replying to inquiries during the past three years regarding stock in the Brooks promotion, The Financial Post has consistently advised against its consideration as an investment. In July, 1923, the statement was made:

"No company manufacturing steam cars has made an outstanding financial success: for this reason the stock would be extremely speculative."

This attitude towards the proposition has been consistently maintained and in recent replies sent to Western readers the following paragraph appears:

We have always regarded the venture as a speculative one from the investment standpoint, not only because of the unsatisfactory record of other steam cars, but because the whole automobile industry has been getting more and more into the hands of the big producers. Mass production has been driving prices down to lower and lower levels. This has created a situation making it very difficult for the small company with relatively high production costs to compete.

Very Doubtful Assets

Certain figures bearing on the company's position are now available. They indicate anything but an attractive outlook from the standpoint of the shareholders. Of the total assets of less than $2,000,000 about $1,200,000 is represented by organization and development expenses paid and good will. Shareholders have paid in about $1,300,000. It would seem, therefore, that the great bulk of the money invested by the shareholders has gone in "organization and general development"—a very doubtful asset. For the shareholders' investment there is little to show in the way of an industrial organization to successfully hold its own in a very highly competitive field.

It is understood that the company has spent a lot of money in remodelling the steam automobile and this evidently without producing a car which promises success in any large commercial way. It is also being explained that attention is now being turned from the passenger car, on which so much time and money has been spent, to the manufacture of trucks and coaches, the latter being regarded as providing greater opportunities for success in view of the keen competition in the low-priced pleasure car market.

Following is a summary of the company's balance sheet, an analysis of which will at once reveal the weakness of the company's position in an industrial field so highly organized as that of the automobile:

Assets	
Cur. assets: Cash, accts. rec., fin. cars, parts, etc.	$ 427,415
Capital assets: Land, bldg., machinery, equip., etc.	257,782
Deferred charges: Incorporation, organization and general development expense	748,916
Other assets: Investments, supplies, patents, etc.	28,682
Goodwill, rights, privileges, etc.	499,995
Total assets	$1,980,790
Liabilities	
Current liabilities: Accts. pay., sales tax, deposits, on cars sold, etc.	$ 8,897
First mortgage 5½% serial bonds outstanding	45,000
Preferred stock:	
Issued and fully paid	1,027,760
Sub. and part paid, less due from subscribers	291,447
Com. stock, no par value	500,000
Capital surplus	107,686
Total liabilities	$1,980,790

POST-Scripts

COLONEL Leonard P. Ayres, vice-president of the Cleveland Trust Co., whose reviews of the business situation have no doubt interested many readers of The Financial Post, tells this one on a youth who was studying geography in the Cleveland schools: The teacher asked the boy to describe the various zones which stretch across the country and the boy's reply was: "There are two zones, masculine and feminine. The masculine zone is either temperate or intemperate while the feminine zone is either frigid or torrid."

IMPORTERS of golf goods have evidently made a forecast, either of the mass strike in Britain, or just of the responses golfers would make to the advent of spring weather, says the Wall Street Journal. Practically all of the imported golf balls have been coming from Great Britain. Foreign purchases of these elusive pellets had a tremendous increase in March, when 417,490, valued at $170,419 were bought abroad, against 96,300 costing $38,921 in February and 19,828 worth $7,596 in January. Those brought in during March cost 40.8 cents each, in February 40.4 cents and in January 38.3 cents.

THE preference of workers for the so-called "white-collar" jobs, or those requiring a minimum of muscular exertion, has become so generally accepted that it is refreshing to find that it is not borne out in all cases by the actual facts. There still are strong healthy men who prefer an active strenuous job, even though it may be hot and grimy.

At one of the big industrial plants in Toronto there are employed night and day shifts of stokers who must work under conditions of heat and dust in ministering to a battery of furnaces. The work is strenuous. And yet we find men here performing this work in preference to such jobs as being conductors on street cars, and at wages no higher. In fact it has been found that there are no small number of such workers who prefer strenous physical labor to the "cushy" jobs even when the latter bring better wages.

The "Jericho Times"

From the Saskatoon Producer.

An article in The Financial Post of April 16, commenting on Professor Scott Nearing's tour of Canada, gets off the following gems:

"He is spreading propaganda on behalf of our trade competitors in Europe."

"He poses as a martyr having been dismissed from Pennsylvania and Toledo Universities, but is receiving $600 per month from wealthy German propagandists."

"He is no longer invited to college halls."

"He is condemned by labor leaders for misrepresentation."

"He is a professor of the Rand School which sells lascivious publications freely to boys and girls."

"He is spreading disloyal, anti-British, and immoral propaganda."

Those who had the pleasure of knowing Professor Scott Nearing, and recognizing his intense religious spirit, and his loyalty to the cause of truth, and who know also that Professor Nearing was just recently invited to speak to our economic class at Saskatchewan University, well know the value of the above statements of The Financial Post. They would put as much confidence in the above gentlemanly outburst as they would in an article by the Temple Correspondent of the Jerusalem Money Changers which might have appeared in the "Jericho Times" two thousand years ago, denouncing the man Jesus as a gluttonous man and a winebibber, and warning its fashionable readers to have nothing to do with the mischievous fellow who consorted with the very riff-raff of Palestine. Seemingly the "Jericho Times" and papers of that class just can't help it.

Subsidized Grain Rates

Edmonton Bulletin: — Some eastern papers suggest that western grain be hauled to Atlantic ports over the National Transcontinental at less than cost rates, the losses in the operation to be made up by grants from the Dominion treasury.

The National Transcontinental was built upwards of twenty years ago. It was built to provide a cheap winter route for western grain to the Atlantic. But it has never been used for that purpose And it is significant that this proposal to subsidize it into use only came to the surface when the western route began to draw away the grain from half the prairie country to the Pacific.

Alberta farmers have suffered more than any other western farmers from the excessive cost of shipping grain over the established routes to the Atlantic. They would have gained more than any other western farmers in bygone years if the National Transcontinental had been put to the work for which it was constructed. They may therefore fail to see the propriety of paying disproportionate rates on their own grains to Vancouver and also paying—as taxes—part of the cost of hauling Manitoba and Saskatchewan grain to the Atlantic over the National Transcontinental.

New Income Tax and Your Investments

Radical changes in the plan and scale of taxation are announced by the Dominion Government.

A digest of these changes, with particular reference to their effect on investors, is now being prepared by our Statistical Department and will be mailed on request.

Ask for Tax Circular 4

Greenshields & Co
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also Mount Royal Hotel Building
TORONTO 14 King Street E. — OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

City of Halifax, N. S.

Thirty-Five Year 5% Bonds

To be dated July 1, 1926
To mature July 1, 1961

Principal and half-yearly interest payable in Halifax, Toronto, Montreal, Winnipeg, Vancouver, or in Canadian currency in New York. Denomination: $1,000. Bonds may be registered as to principal.

Halifax, the capital of Nova Scotia, is the largest city in the Maritime Provinces and one of the oldest cities in Canada. Its bonds are regarded as a conservative investment.

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BONDS - WE - RECOMMEND

New Issue

Duke-Price Power Company

6% First Mortgage Bonds Due May 1, 1966

The Duke-Price Power Company's plant at Isle Maligne is one of the largest hydro-electric stations on the continent, being exceeded in installed capacity only by two plants at Niagara Falls.

Control of the company has recently been purchased by the Aluminum Company of America and the Shawinigan Water & Power Company, the former acquiring 53 1/8% of the company's stock and the latter 20%, the remaining 26 7/8% being retained by the Duke-Price interests.

The company has firm long term contracts for the sale of 330,000 h.p. with large and well established companies. The Board of Directors will consist of men with long experience in the successful management of large industrial and hydro-electric enterprises.

Principal and semi-annual interest (May 1 and November 1) are payable, at the option of the holder in New York, Pittsburgh or Montreal, in United States Gold Coin. Interest payable without deduction for any United States Federal income tax up to 2%. A circular giving full particulars will be sent upon request.

Price at market to yield about 5.87%

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East, TORONTO — 204 Blackburn Building, OTTAWA — 71 St. Peter Street, QUEBEC
135

News of the Investment Market

NET EFFECT OF STRIKE IS SMALL IN BOND MARKET

Notable Tendency Toward Consolidations in Canada and States

Beyond a first-thought rush to buy, the news of the strike's termination had little or no effect in the bond markets. This had a tendency to strengthen prices slightly in the New York market, but the net effect was not very great. There will possibly be this effect in the Canadian market, that a number of issues which were temporarily held off the market will be brought on in the next few weeks. A number of fairly large industrial issues are now in course of preparation. Actual offerings this week were practically limited to a few fairly sizable municipals. As a result of the scarcity of offerings, there is keen demand for the better grade bonds that are offered, and prices are well maintained.

The consolidation movement both in the United States and in Canada is promoted by the large amount of capital available. In the United States money is getting easier and there is an effort to seek out remunerative ventures in which to place it. Owing to the large potential profits in mergers and amalgamations, promotors naturally looked to this field. There were legal difficulties, however. The Sherman and Clayton Acts had to be contended with. But there are forms of consolidation which do not so much conflict with this legislation, and the investment bankers have turned to these. In all parts of the country, new consolidations are springing up, and have so far proven very successful.

In Canada there is a tendency in the same direction. There have already been several mergers in the bakery and food products lines, and some others are being considered at the present time. The arguments are —abundance of investible capital, well organized bond-selling forces, and the evident economies which can be effected by common management, unified control, centralized buying and so on. In view of these favorable factors it is not unlikely that the next few years will see a trend in this direction comparable to that in the eighties and nineties in the United States.

Rail and Harbor Terminals Lets Construction Contract

Excavation for the structure of the Canadian Rail and Harbor Terminals, Ltd., is now in full swing, with two steam ploughs, 100 men and 4 pile drivers operating. The contract for construction of the big warehouse has been let to Parlkap Inc., 512 Harbor Commission Bldg., Toronto, and one mile of railroad track is being laid to bring in supplies to the site.

In connection with the substructure, trenches 40 feet wide, 7 feet deep and 500 feet long down to water level are being dug, while 10,000 piles from 8 in. to 14 in. in diameter are being driven into these trenches down to bedrock by steam pile drivers. These piles will be capped with concrete pyramids, reinforced with steel. Each pyramid is about 16 feet in length with a maximum height of 5 feet. Each of the columns of the building is thus supported by 16 to 20 of these large piles, the load being distributed by the concrete cap.

$100,000 Bond Issue Sold by Long Distance

SYDNEY.—One hundred thousand dollars worth of 15 year, 5½ per cent. bonds have been sold at par by long distance phone to W. L. MacKinnon & Co., of Toronto. The issue is to provide money for paying off a Royal Bank of Canada overdraft which it is inconvenient to meet out of current revenue at the present time, and its success is taken locally as a sign that Upper Canada has confidence in the stability of the eastern steel industry.

Harrison Springs Hotel Sells Preferred Stock

An issue of 8 per cent. cumulative preferred shares of the Harrison Hot Springs Hotel Company is being sold this week by the Fidelity Securities Corporation of Vancouver. A bonus of two shares of common is being given with each share of preferred.

It is stated that the assets of the company total approximately $850,000, which is about four times the value of the total issue of preference shares, and earnings have been estimated at four times the requirements for interest and dividend charges. The promoters of the company are Vancouver business men. They have invested personally in the project and have taken common stock for their investment.

In addition to the regular 8 per cent. dividends payable semi-annually, preferred shareholders will participate equally with common shareholders in surplus profits after 8 per cent. has been paid on common.

The resort will open about the middle of this month.

SAYS BESCO BONDS ARE WELL SECURED

Corporation Has Immense Assets Behind Subsidiaries' Senior Issues

From Our Own Correspondent.

MONTREAL.—In an interesting analytical outline of the position of the securities of British Empire Steel Corporation, and its constituent companies, the Montreal Stock Exchange firm of Dickinson and Walbank make several interesting points.

The most important fact revealed by the analysis is, that while some of the underlying bonds have shown a decline of 46 per cent. in their market value over the past five years, yet this is not due to a shrinkage in physical assets; it is the lowered earning power only which has been responsible for the decline in the value of the more senior securities. Thus, in the event of the acquisition of some of the properties by some of the bondholders, the holders of such securities would find the earning power of the properties curtailed—a condition which stands a chance of being remedied.

The recent declines to abnormally low quotations, in conjunction with the lower earnings of the past two years, are indicative of some form of capital reorganization; the circular deals with the great physical assets upon which the mortgage securities base their claim for complete protection of principal.

It is shown that physical assets, exclusive of net current assets, approximating $120,000,000, constitute ample protection for $15,654,444, 1st mortgage bonds, and $14,652,753, 2nd mortgages and lien debentures.

"Bondholders should be well secured so far as surplus assets are a protection," says the circular letter. "The earning position of the consolidated companies, however, has been a matter of much concern, even to the holders of these mortgage securities. By the serious labor trouble on the coal properties, and a decline in the demand for the products of the steel department, coincident with the after-war deflation, the British Empire Steel Corporation was compelled to draw upon reserves in 1924, and probably in 1925, in order to meet interest requirements.

"The table shows physical assets protecting the mortgage bonds:

Total Property Value	$135,266,918
Less Subsidiary properties	15,000,000
Physical Assets	120,266,918
Less 1st mortgage Bonds	15,654,444
Margin over 1st mortgage	104,612,474
Con. mortgages & debs	16,652,753
Margin over 2nd bonds	$ 87,959,721

The analysis summarizes the situation as follows:

"Notwithstanding a decline in market value of outstanding shares, from $40,679,000 in 1920-22 to $5,202,000 this year; and a decline in bonds from $30,431,000 to $20,912,952, we are of the opinion that the bond and debenture holders are thoroughly secured, and that a policy of awaiting constructive developments should be adopted, rather than offering the bonds for sale at the unduly low bid prices current."

B. C. BOND CORPORATION MOVES

The British Columbia Bond Corporation, Ltd., Victoria, have secured a lease on the old Bank of Montreal premises on Government Street and are having same fitted up for a thoroughly modern bond and brokerage office. The new premises will be ready for occupancy shortly. H. E. Boorman is managing director.

G.T.R. DEBENTURE QUESTION RE-OPENED

Further Consolidation of National Railways Aim of Latest Move

Grand Trunk Railway debenture holders are interested in the rumor now current that parliament may be asked by the government this session to reopen negotiations with a view to reaching an amicable settlement of their claims against the railways, in order to relieve the Canadian National of some of its indebtedness. It is stated that although considerable progress has been made by George Gaston, New York financial expert, no measure will be introduced this year to reduce the capitalization of the National system.

According to the plans in course of framing, the Canadian National is to be relieved from all indebtedness except the bonds held by the public. The costs incurred by the government in building and maintaining the roads, and the outlays made from the federal treasury on the system, since the private companies were acquired, would be taken into the national debt. At the end of the past calendar year the debt of the Canadian National Railways was as follows:

Government expenditures on government roads, $453,900,000; advances to Canadian National Railways plus accrued but unpaid interest, $734,546,000; bonds held by the public, $931,329,000, making a total of $2,119,775,000. If, according to the proposed plan, the first two items are taken care of in the National debt the capitalization of the National Railway System will be $931,329,000.

What prevented the reduction of the Grand Trunk issue of debentures, now held in the United Kingdom, was the guarantee that while no interest was guaranteed, it was agreed that when the earnings of the Grand Trunk and the Grand Trunk Pacific reached a certain point, interest should then be paid, and these debentures are perpetual.

Before the National Railways could be welded into one system financially, it would be necessary to complete the process of liquidation and gradually spread the debt against particular sections of the road over the whole system. This would be impossible while the Grand Trunk debenture holders had a claim on the earnings of the road when they exceeded a certain amount. The accounts of separate sections of the road would always have to be kept separately, and the railway from a security point of view would be impaired.

The rights under agreement of the Grand Trunk debenture holders, the Grand Trunk Pacific Railway has never put through the complete process of liquidation. At the present time its status is that of a bankrupt road, with the federal government the receiver.

New Issue

The Alberta Pacific Grain Company, Limited

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Price: 100 and accrued dividend, yielding 7%

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GOVERNMENT and MUNICIPAL BONDS

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U.S. Foreign Loans Cover Wider Territory

A significant development of the foreign financing in 1925 is the marked decrease, both in actual volume and relative importance, of loans to national governments. For instance, government loans to Europe totalled $234,966,000 in 1925, or 20 per cent. of total new capital loaned abroad, as compared with $414,250,000 in 1924, or over 42 per cent. of total new capital, according to the National City Co.

The $75,000,000 loan to the Commonwealth of Australia is the first external loan of the Commonwealth to be offered outside of the London market. While both Italy and Poland have borrowed here since the war they may be regarded as newcomers in the way of major financing. Belgium, the Argentine and Norway were again important borrowers, as in 1924. The $50,000,000 Belgian loan was in part for the Congo. Indirectly, therefore, American investors have been participating in the development of the continent of Africa. The Kingdom of Denmark had not borrowed here since January, 1922, and the recent loan was largely a refunding.

Czechoslovakia borrowed $25,000,000 in October, following settlement of its debt with the United States treasury. The new loan is secured upon four of the most reliable sources of revenue of the government, the sugar and alcohol taxes, net profits of the tobacco monopoly, and customs duties. Finland also floated a small government issue in this market, the proceeds going largely to the completion of the great Imatra hydro-electric plant. In this case, too, investors are coming to appreciate the intrinsic soundness of the credit of this thrifty, liberty-loving nation.

The volume of foreign government financing is unmistakably on the downward trend. Investment bankers have for several years regarded such a development as inherent in the gradual transition to normal world conditions. The economic law of supply and demand, so apparent in the field of commodities, is equally effective in the investment market. There is an additional factor which has had and will continue to have an important effect in diminishing the relative supply of first-class foreign government bonds in this market, a factor which has not been sufficiently emphasized, and that is the tendency in many cases of the governments themselves and of their nationals to buy up their own dollar bonds as their conditions return to normal.

In 1925 new capital loaned to states totalled $157,086,000, as compared with $43,752,000 in 1924, all of which went to seven Canadian provinces. This year the same provinces, together with the Province of Quebec ($15,000,000), borrowed almost twice as much, $80,955,000, and yet this amount constituted only 51½ per cent. of the total advanced to provinces or states. Of total new capital loaned to states or provinces, $34,131,000, or 21.7 per cent., went to Latin America, and $42,000,000, or 26.8 per cent., to Europe.

NORTH BATTLEFORD DEBENTURES

Toronto investment houses have just received a copy of the auditors' report for the North Battleford School District, Saskatchewan, in which the auditors draw attention to the large number of coupons that have not been presented for payment. In order to take care of the unpresented coupons, funds are set aside to cover payments due for five years back.

INTERESTING ISSUES

Canadian Locomotive Bonds Have Yield of 6 Per Cent.

The 6 per cent. first mortgage bonds of the Canadian Locomotive Company at a current price of around $100 and interest offer an investment worthy the attention of the investor looking for a yield around 6 per cent. The bonds mature in 1951.

Although last year was a generally unsatisfactory one for firms manufacturing railroad equipment, as reflected in the market decline of Canadian Locomotive common, brisker business especially in the west, and the prospect of a keen demand for mining equipment, somewhat alters the situation. The company recently received a very substantial order for sheet steel tanks and baskets for the Aluminum Company of America, and a good order for locomotives of the Mikado high pressure freight class, from the Canadian Pacific Railway. There are indications that others will be coming forward steadily. There seems every reason to believe that the period of retrenchment in equipment buying by the railways will have to be followed by more liberal purchases in order to maintain efficiency in transportation facilities. Furthermore the outlook for general business should encourage the railways in the placing of orders for motive power.

The Canadian Locomotive Company, as now constituted, was established in 1911 to take over the business of the Canadian Locomotive Company, which formerly operated under Ontario charter. The home of the company occupies three blocks in the city of Kingston, where there are very substantial buildings, including machine, boiler and blacksmith shops, erecting, electric and carpenter shops, pattern shops, power house, store houses, etc. The capacity of the plant which comprises everything required for the building of the most modern and up-to-date locomotives, is approximately 180 engines per year.

Mining Machinery Also

The growing importance of the mining industry in Canada, and the recent additions to mining operations in Northern Ontario, Quebec, Manitoba and elsewhere, suggest a large expansion in that department of the industry which is engaged in the turning out of mining machinery and equipment of various kinds. The decision of the company to enter this field was made only after the most thorough investigation of the prospects and possibilities, and the plant is particularly well equipped for this type of production.

The net earnings of the company have been growing very satisfactorily. In 1922 there was a deficit of $76,299. In 1923 the company earned $7,401. In 1924, earnings were $599,672, and last year, $268,077. The present bond issue consists of $1,335,400 out of $2,000,000 authorized. Provision is made for a sinking fund which is already started.

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WESTERN DEMAND MEANS A BONUS ON FARM LOANS

(Continued from page 1)

occupy a dominating position, and always have done so. Instead, however, of preserving the security for loans, they have favored a policy of impairing it by setting up priorities, thereby confiscating the rights of existing encumbrances.

"When a loan is made upon a farm the lender practically has to assume responsibility for financing not only the farmer, but also the municipality, through the taxes, which are a first lien upon the land. The sad results to lenders due to these priorities and taxes may be best shown by quoting one or two instances.

"I have a list of 24 Alberta loans. The original advance was $45,650, or $1,902 each. The present debt for principal and arrears of interest is $2,547.07 each, that is, $1,902 for the original advance and $644 for interest. The mortgagee would have a fair chance to get back his principal and interest if his first charge had remained as it was when he made the loans. Since they were made, however, there have been created several prior liens, and these, together with normal taxes, have resulted in charges against the land accumulating to the amount of $1,376.92 per loan.

"If the mortgagee foreclosed he would, before getting title, have to advance this amount in each case, and in addition approximately $250 for foreclosure expenses made up largely of statutory fees. At present the original advance represents only 48.49 per cent. of the total charge against their security of the 24 loans in question, the balance of the total charge being 16.42 per cent. for interest and 35.09 per cent. for prior liens and taxes.

How Loan Pyramids

"To illustrate by individual loans, let me give two examples from the list to which I have just made reference:

—Loan 14—

Original advance—principal	$4,000.00
Lender's cost advanced	470.25
Borrowers' insurance paid	94.50
Total cash advanced by lender	$4,564.75
Debt (incurred by borrower) ranking ahead of mortgage, irrigation charges and general taxes	5,995.84
Interest overdue	1,158.76
Total charge	$11,749.35

—Loan No. 19—

Original advance—principal	$ 800.00
Debt (incurred by borrower) ranking ahead of mortgage general taxes	150.00
Hail insurance, premium tax	55 00
Seed grain liens	1,100.00
Interest overdue	600.00
	$2,705.00

"The term 'general taxes' includes normal taxes and prior liens for weed and pest destruction, hospital charges, education, irrigation, wild lands, drainage, and when not specially given, seed, fodder and relief.

"Prior liens and extraordinary taxes in the cases quoted, and they are typical of a great number, have derogated the lender's securitiy, involving him in loss against which his only protection is to add to interest charges a substantial margin for losses due to statutory prior liens created subsequent to the loans being made. The removal of these liens, as has been stated frequently on behalf of the present lenders, would inevitably result in prompt reduction of interest rates."

UNLISTED BONDS

	Bid	Asked
Abitibi 6% 1940	102¼	103
Algoma Steel 5% 1962	29¼	30½
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100	100¾
Brand-Henderson 5% 1939	90	..
Burns, P. & Co., 6½% 1943	102⅞	104
Can. National Rly. 5% 1954	101⅛	101⅞
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104¼	105
Can. Pacific Rly. 5% 1934	99⅜	100⅛
Can. Pacific Rly. 4½% 1944	93¼	94
Can. Steel Foundries 6% 1936	102	..
Dom. Iron 5% 1939	..	50
Dom. Textile 6% 1949	106	..
East Koot. Power 7% 1942	104½	..
Frontenac Brewery 6% 1951	97½	100
Fraser Companies 6% 1950	97	98
H. Smith Paper 7% 1941	100	100¾
Laurentide Power 5% 1946	99¾	..
Laurentian Power 6% 1936	100¾	..
Prov. of Ontario 5% 1948	101	101⅞
Ontario Pulp 6% 1931	107	..
Price Bros. 6% 1943	102¼	..
Quebec Power 6% 1953	103½	..
Winnipeg Elec. 6% 1954	96¾	97½
St. Maurice Power 6½% 1953	107¾	108½
Jam. Pub. Service 6½% 1943	102	103
Span. River P. 8% 1941	105⅞	107½

U. S. RAILWAY HOTEL IN CANADA

EDMONTON.—Bids have been called for the construction of the new million dollar hotel to be built by the Great Northern Railway at Waterton National Park, Alberta.

This Week's Bond Sales

ST. WILLIBRORDS PARISH

MONTREAL.—The firm of L. G. Beaubien and Company has purchased an issue of $125,000, five per cent., serial bonds of the parish of St. Willibrords, Verdun, P.Q. It is understood that the bonds will be offered the public on a 5.3 per cent. yield basis.

STAMFORD TOWNSHIP BONDS

Fry, Mills, Spence & Co. were awarded an issue of Township of Stamford bonds, made up in three parcels, namely: $17,434, 5%, 20 instalments; $21,609, 5%, 30 year, and $373,781, 5½%, 29 years, at 104.071. Tenders follow:

Fry, Mills, Spence & Co.	104.071
A. E. Ames & Co.	103.77
Dominion Securities Corp.	103.171
MacNeill, Graham & Co., and C. H. Burgess & Co.	103.00
Municipal Bankers Corp.	102.71
Dyment, Anderson & Co.	103.933
Gairdner & Co.	103.672
Bell, Gouinlock & Co.	103.07
H. R. Bain & Co.	102.91
McLeod, Young, Weir & Co.	102.77
Wood, Gundy & Co.	102.45

PEEL COUNTY ISSUE

A. E. Ames & Co. were the successful tenderers for $70,000, 5%, 10-instalment debentures, issued by Peel County, their price being 99.77. The bids were:

A. E. Ames & Co.	99.77
H. R. Bain & Co.	99.70
Toronto Bond Exchange	99.68
Dyment, Anderson & Co.	99.585
MacNeill, Graham & Co.	99.53
Gairdner & Co.	99.423
Fry, Mills, Spence & Co.	99.39
Municipal Bankers Corp.	99.72
C. H. Burgess & Co.	99.68
R. A. Daly & Co.	99.63
Dominion Securities Corp.	99.531
Wood, Gundy & Co.	99.45
Matthews & Co.	99.42
McLeod, Young, Weir & Co.	99.27

GALT BOND ISSUE

An issue of $34,662, City of Galt, 5½ per cent., 15-year debentures has been awarded to H. R. Bain & Co., on a bid of 103.02. Following are the bids:

H. R. Bain & Co.	103.02
C. H. Burgess & Co.	102.57
Waterloo Trust & Savings	102.415
Cochran, Hay & Co.	102.32
Gairdner & Co.	102.172
Wood, Gundy & Co.	102.15
Municipal Bankers' Corp.	102.146
Macneill, Graham & Co.	102.11
Roberts, Cameron & Co.	102.11
Fry, Mills, Spence & Co.	102.07
Dyment, Anderson & Co.	102.06
Toronto Bond Exchange	102.05
Bell, Gouinlock & Co.	102.
Royal Securities	101.71
Stewart, Scully & Co.	101.57
Matthews & Co.	101.011

Tenders and By-Laws

May 31, Port Hope—$37,500, 5%, 20-year debentures. J. W. Sanders, town clerk.

May 26, La Salle—$34,788, 5½%, 20-year debentures. P. N. Monforton, town clerk. (See announcement on page 16).

May 25, Town of Coaticook, P.Q.—$150,000, 5 per cent., 25-year bonds. Arthur Bouchard, secretary-treasurer.

May 25, Municipality of Sainte-Lucie de Beauregard, P.Q.—$13,200, 5½ per cent., serial bonds. J. A. Breton, secretary-treasurer.

May 26, City of Levis, P.Q.—$63,000, 5 per cent. serial bonds. Lionel Lemieux, city clerk.

May 24, Town of Donnacona, P.Q.—$11,500, 5 per cent., 5-year bonds. Philippe Chalifour, secretary-treasurer.

SASKATCHEWAN

Authorizations Granted by the Local Government Board from April 24 to May 1, 1926

Schools—Valentine, No. 2824, $2,000; Dana, No. 1714, $1,500; Pengarth, No. 1549, $3,500; Tubercose, No. 4569, $4,500; Churchbridge, No. 124, $3,000; Watson, No. 1604, $8,000; Ettington, No. 3620, $1,500; Algoma, No. 2876, $1,500; Veregin, No. 361, $1,500; Radisson, No. 1351, $4,700; Domremy, No. 3595, $6,900; Waterside, No. 4422, $3,500; Canora, No. 1152, $12,000; Village of Recanville, $1,000; Saskatoon, $3,728.

Debentures Reported Sold

Schools—

Favorite, No. 716, $2,000, 10 years, 6%, C. C. Cross & Co., Regina.

Flaxton, No. 542, $3,600, 15 years, 6½%, C. C. Cross & Co., Regina.

Waldron, No. 2201, $2,500, 15 years, 5¾%, C. C. Cross & Co., Regina.

Saskedge, No. 4632, $3,000, 15 years, 6¼%, C. C. Cross & Co., Regina.

Fenwood, No. 3250, $8,500, 20 years, 6%, Geo. Moorhouse & Co., Regina.

Caldervale, No. 1619, $5,000, 20 years, 5¾%, Geo. Moorhouse & Co., Regina.

Beaver Hills, No. 2973, $3,600, 15 years, 6%, Geo. Moorhouse & Co., Regina.

Roe, No. 755, $3,000. 10 years, 6%, Houston, Willoughby & Co., Regina.

Prairie College, No. 4248, $3,500, 10 years, 6%, Regina P. S. Sinking Fund.

Maryfield R. T. Co., $300, 4 years, 6%, Duck Lake Sinking Fund.

Vidora Village, $3,000, 10 years, 6½%, C. C. Cross & Co., Regina.

BOND MOVEMENTS OF THE WEEK

Week Ending May 11

Bonds—	Int. Rate	Due	Yield	Range. High	1925 Low	Range, 1926 High	Range, 1926 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Can. Canners	6	1950	6.41	96¼	90	95½	94	95¼	94¾	95	...
Can. Cottons	5	1940	5.51	96	91½	96	95	95	..	95	...
Cedars Rapids	5	1953	4.96	99⅛	97	101½	98¾	..	100½	100½	...
Montreal Trans. "A"	5	1955	5.48	98¾	92¾	95	92½	93	..	93	...
Montreal Trams.	5	1941	5.23	98	94⅞	98½	97¼	97½	..	97½	...
Ogilvie "C"	6	1932	5.16	106	103½	105½	104¼	104¼	...	104¼	...
Penmans	5	1926	5.00	99	98	100	99	...	100	100	...
Quebec Rly.	5	1939	5.64	98	89¾	95	91⅞	95	94	94	...
Wayagamack	6	1951	6.60	98¾	84¾	97¾	92	92½	...	92⅝	...
War Loan	5	1931	4.65	102.65	101.10	102.40	101.20	101.65	101.55	101.65	101.35
Do.	5	1937	4.58	104.95	103.80	104.65	103.40	103.90	103.75	103.80	103.60
Victory	5½	1927	4.60	103.15	101.70	101.75	100.80	101.50	101.40	101.40	101.35
Do.	5½	1933	4.65	107.00	105.10	106.80	104.65	105.40	105.30	105.45	105.10
Do.	5½	1934	4.99	104.80	103.20	104.10	103.10	103.45	103.35	103.60	103.30
Do.	5½	1937	4.54	110.00	108.15	109.30	107.35	108.50	108.35	108.50	108.25
Do., Refund.	5	1928	4.90	104.45	100.15	101.30	100.05	100.60	100.45	100.20	.....
Do.	4½	1940	4.88	97.25	92.00	96.70	95.70	96.00	95.90	95.95	95.75
Do.	5	1943	4.85	102.90	101.15	101.95	101.15	.....	101.80	101.95	101.65
Do.	4½	1944	4.80	97.75	96.20	97.15	95.85	96.30	96.15	96.30	96.10
Do., Renewal	5½	1927	4.85	102.95	100.80	101.95	100.35	101.00	100.90	100.90	100.70
Do.	5½	1932	4.98	104.20	102.60	103.40	102.15	102.85	102.75	102.70	102.60
Do., Refund	4½	1946	4.80	.....	.....	96.10	95.70	95.90	95.75	96.10	95.80

Municipal and Provincial Finance

Railway Problem Stigma to British Columbia's Bonds

Used to be Considered Least Attractive of Any Provincials — Some Important Changes Are Under Way

It used to be said that the credit standing of the various provinces of the Dominion, as reflected in the marketability and popularity of their bonds, was according to geographic sequence, commencing at the bottom of the scale on the Pacific Coast, and improving gradually, eastward. Many factors, however, enter the situation, and make it rather more complex than any such statement would indicate. It is not merely a matter of the size of the provincial debt, nor of the per capita debt, important as are these matters. One has to consider also such factors as debt retirement provision, industrial and commercial progress, per capita wealth and buying power, progress being made in the exploitation of natural resources and so on.

Like the Dominion itself, British Columbia has a troublesome railway problem and this is at the root of the chief financial worries of the province. The Pacific Great Eastern Railway Co. was incorporated in 1912 to build a railway from Vancouver to the north, through the centre of the province. The line now runs to the Prince George section and the province has authorized the company to extend steel to the Peace River country some 330 miles farther. In 1912 the provincial government guaranteed the securities to the extent of $35,000 a mile for 450 miles of line, and in 1914 this was extended to $42,000 per mile for 480 miles, amounting to a total of $20,160,000. Of these securities $14,234,805 were sold and the balance pledged to secure a loan of $5,925,195. The province has made advances to the company by way of loans totalling $19,443,957. In 1918 the government acquired all the capital stock of the company that was not already owned by it, and assumed control. Negotiations are now under way which have as their aim the settlement of the vast tract of land along the railway which is considered the only way to make the road yield profits. In addition the government has guaranteed debenture stock of the Canadian Northern Pacific Railway, now operated by the Dominion Government, amounting to $40,157,523. This along with other guarantees brings the total up to $64,667,856.

Gross Funded Debt High

All these factors combine to make the gross per capita debt of the province the highest of any, viz., $175, as against next highest of $140 for Alberta. The gross funded debt is around $92,000,000 and the net funded debt, $41,807,046, or $79 per capita. This brings the per capita net funded debt to second place to that of Alberta, which is $97. The revenue producing debt is $38,570,131, and total sinking funds amount to $13,395,080. Of late, the government has been able to show a surplus of revenue over expenditure, last year's surplus being $603,492, the difference between revenue of $18,823,358 and expenditure of $18,219,866.

On the opposite side of the balance from the heavy burden of debt is the fact that the coast area is one of the most progressive and prosperous in the Dominion at present. Near-boom conditions exist in building and real estate. A number of new industries have grown up, and shipping is extremely busy in the Vancouver area. Trade with the Orient has given rise to larger revenue from many lines of business. All this is resulting in appreciation in land values, and higher purchasing power. The per capita buying power is now probably in excess of that of any other province. Ontario is the only close competitor for first place. Then also, population is increasing more rapidly in British Columbia than in any other section with the exception of Quebec. This indicates that the railway problem is nearer solution to-day than since it first became a problem. All these factors have a favorable bearing on the bonds which were once considered last among the provincials in order of attractiveness.

Yield Around Five Per Cent.

There are thirty-one issues of the province now outstanding with an aggregate value of $71,485,736 in addition to the railway and other guarantees already mentioned. Maturities range from July of this year to January, 1951. Naturally not all of these issues are traded in extensively or quoted. Some of those most traded are the issue of 1939, now quoted around 101 with a yield of 4.90; the 1941 issue currently quoted at around 110 which represents a yield of about 5.00 to 5.05; the 1946 issue of $2,000,000 6 per cent. now around 112 with a yield of approximately 5 per cent. The longest term issue now outstanding, the $4,000,000 4½ per cent. of 1951 are quoted at about 94.60 to yield 4.87.

OTHER INDUSTRIES MUST SET OUT TO WIN CONFIDENCE

(Continued from page 1)

mentioned in the house as taking advantage of the tariff, and, politically speaking, it is beside the point whether these industries have actually taken unfair advantage of the tariff if public thinks they have. In fact John Evans, a real power in Liberal-Progressive alliance, says they are not yet through with the reductions in motors. Conservative M.P.'s feel quite strongly on the matter. They point out that they made protection and protection alone their policy. They know the country was sympathetic with that policy but treatment of the public by certain groups of manufacturers and the suicidal policies of many of industry's leaders lost them many seats, the control of the government and the establishment of a staple business policy for Canada.

Many groups of manufacturers have done little to make their case known to the public and some—notably the cotton textile industries — have not even won the complete confidence of the always powerful retailers, to whom they must look for the ultimate distribution of their goods.

The address of the chairman of the Ontario Manufacturers, Elmer Davis, published in The Financial Post of last week, was most favorably received by all parties in the House and did much to win good-will for Canadian industry.

MOOSE JAW SECURES PACKING INDUSTRIES

Seems Likely to Become Centre of Industry For Mid-West

By Staff Correspondent.

MOOSE JAW.—Current local developments in the packing industry seem to justify the belief that Moose Jaw will become the packing centre of the mid-West. The Gordon Ironsides plant here was idle from the time it closed in 1919 until recently when it was purchased by Swift and Company. It is now operating and employs 200 hands. Last week representatives of the Harris Abbatoir looked over the ground and took an option on five acres adjoining trackage, with the object of putting up a plant which will be small at first, but which has every chance of growing to be a large industry. Your correspondent is assured by best authority that the whole matter will be closed this week. It seems certain that P. Burns & Co. will be compelled to follow suit by establishing a plant here also. The yards of the South Saskatchewan Stock Yards Company are located in Moose Jaw and this means that the point will be a very favorable one.

This development is regarded as highly important to the mixed farming program of Saskatchewan. With large creameries already located in this city, and packing houses following, there will be an added inducement for farmers to raise hogs for market and cattle for dairy purposes. It was predicted recently by J. A. Caulder, of Caulder Creameries, that by 1930 Saskatchewan could produce 100,000,000 pounds of butter annually of which 75,000,000 would be for export.

With practically no vacant houses and with prospects of expansion, Moose Jaw seems assured of a steady building program to take care of requirements.

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Montreal Tramways 5% 1955
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Safe Sound Seasoned Securities

Name of Security	Rate	Due	Price	Yield
Quebec Apartments	6½%	1940	99	6.60%
Howard Smith Paper Mills	7%	1941	102	6.80%
Rolls Royce of America	7%	1937	100	7.00%
International Power	7%	1936	100	7.00%
Nova Scotia Tram & Power	7%	1952	100	7.00%
Wolthausen Hat Corporation	7%	1943	100	7.00%
Asbestos Corporation	6%	1956	83	7.45%
Wuerttemberg Electric	7%	1956	94	7.50%

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WEEKLY RECORD OF CANADIAN FINANCING

Place	Date	—Sold To—	Rate	Maturity	Amount	Price	Yield
Bond Sales—		**Municipal**					
Stamford Township	May	Fry, Mills, Spence & Co.	5 & 5½%	20, 29, 30-yr.	$412,824	104.071	...
Peel County	May	A. E. Ames & Co.	5%	1936	70,000	99.77	5.02
St. Willibrords Parish Verdun	May	L. G. Beaubien & Co.	5%	Serial	125,000	....	...
Dorval, Que.	May	Dominion Securities Corp.	5½%	15 & 20 yr.	49,200	102	...
North Grimsby	May	Harris, MacKeen & Co.	5½%	1940	23,123	161.61	5.30
Glace Bay	May	W. L. McKinnon & Co.	5½%	1936	100,000	....	...
Waterloo	May	Cochran, Hay & Co.	5%	15 & 20 ins.	23,467	99.69	5.04
Galt	May	H. R. Bain & Co.	5½%	1941	34,662	103.02	5.20
Saskatchewan Schools, etc.	May	Various	....	....	38,000	....	...
Stock Issues—							
Alberta Pacific Grain Co.	May	Royal Securities Corp. and Syndicate	7%	Pref.	3,000,000	100	7%

Insurance for Buyer and Seller

AUTO RATE WAR STILL WAGES AND BECOMES HOTTER

Danger Point Reached in Slashing of Insurance Tariffs

A serious undercurrent of dissatisfaction is still evident in the automobile insurance field where rate cutting and rate discrimination are practised to the detriment of the whole business. Many of the largest casualty companies point with concern to the reckless rate cutting, especially by newcomers, which has tended to undermine the business. Last year there was a considerable amount of rate cutting in the field and the tariff rates were reduced some 30 per cent. On this new basis, it is generally felt that the margin of profit is very small, and that lower rates are not only dangerous to the companies, but in some cases even to the general public. In spite of the new low tariff rates further cuts by some companies to the extent of 25 per cent. and 35 per cent. have been made.

Where Will it End?

Many of the companies are wondering where this cutting will end and seriously question the benefit of any further cutting. The public must be protected. Are any cuts beyond those set forth in the tariff schedule safe?

As published in The Financial Post, recently, the total net losses incurred by companies operating in Canada stood at $3,456,271 and total net premiums $6,950,358 or losses stood at slightly above 50 per cent. of premium income. Twenty-two and a half per cent. of premium income is considered a fair margin to allow for commissions, while 20 per cent. is usually for overhead and about 5 per cent. for claims expenses, leaving about 2½ per cent. premium income for profits. This, of course, is merely an average estimate. For the past five years the percentage of profits to premium income probably averaged 3 per cent. This year with further cut of about 30 per cent. in premium income, it is doubtful whether any substantial profits are in sight.

Is Public Protected?

With the present keen competition many wonder whether the new cut rates afford sufficient protection to the public. 3 per cent. of premium income is considered a fair profit and it is very doubtful whether this percentage will be earned.

Many feel that further cuts of 25 per cent. cannot but prove a menacing factor and are in nobody's interest in the long run.

At the present time the only protection the public has is the requirement by the province that the actual rates charged be filed. The rates then are known.

Of course strength in management, financial soundness and financial reserves are factors which offer protection and there are many financially strong companies who are cutting rates.

Furthermore, there are many non-tariff companies whose rates may be a trifle lower than those of the tariff companies, which are perfectly safe, yet would not be included in the class of rate-cutters.

What is perhaps even a worse and a more unethical practice is rate discrimination, which in Ontario is punishable at law and over which the Ontario Supt. of Insurance has legal jurisdiction.

It is a known fact that some companies continue to offer fleet rates to individual employees on the basis of the owner's contract. Admittedly, it is as reasonable for an employer who owns and insures a fleet of cars to secure a preferred rate, but why should his employees who own their own cars be included in the preferred basis? Woe unto the insurance companies who are at present actually extending this discriminative rate, if they are caught at this illegal practice. Rate discrimination is unhealthy, unfair and unethical and is not in best keeping with the public interest.

Recently several prominent test cases have come up and the law on the point seems to be fairly well understood. While most of the companies are now complying with law on the matter of rate discrimination, it is stated that some companies have not fallen in step.

C.P.R. to Place Insurance Through Willis, Faber & Co.

The Canadian Pacific Railroad Company has given the placing of its $130,000,000 fire insurance schedule to Willis, Faber & Co., Ltd., of Canada. This is the most important and largest insurance account in Canada, and which for some years has been placed by Marsh & McLannan, of Chicago. About two years ago the Canadian Pacific also transferred the marine insurance on its large ocean fleet of steamers to Willis, Faber & Co.

The Canadian Pacific schedule comprises considerable other property than is usually considered strictly railroad, including some fine hotel structures.

Prudential Assurance Reports Good Year

From Our Own Correspondent.

MONTREAL. — The seventy-seventh annual report of the Prudential Assurance Company shows total assets of £185,140,142, being an increase of £14,090,878 during the year. The total income for 1925 amounted to £37,552,553, as compared with £35,136,037 in 1924.

The report divides the company's operations into ordinary, industrial and general branches. In the ordinary branch, the number of new policies issued during the year was 76,796, assuring the sum of £14,641,970, and thus producing a new annual premium income of £994,776. The total premiums received in this branch amounted to over £10,000,000, being an increase of £664,497 over the preceding year.

The industrial branch also showed a nice increase in business, and premiums received amounted to £15.883,871, being an increase of over £673,581 over the year 1924.

A satisfactory increase is also seen in the general branch, where the premiums received, after all deductions for re-insurances amounted to £854,596, up £191,484, as compared with 1924..

One of the features of the report is the continued decrease in the expense ratio of the industrial branch, which this year stood at 26.59 per cent. of the total premiums received, as compared with 27.86 last year. The expense ratio has declined steadily since the year 1920, when the expense ratio amounted to 40.50 per cent. of the premiums received.

Insurance Personals

F. B. Dalgleish, manager, Canadian Hardware and Implement Underwriters, Winnipeg, has returned from a business trip to the Pacific coast.

* * *

E. F. Elsey, formerly with the C. C. Craig Co., and well-known in Winnipeg business circles, has joined the staff of the Imperial Life Insurance Co. in that city.

* * *

W. R. Chidley, cashier in the Peterborough office of the Manufacturers' Life Insurance Co., is at present doing relief cashier work in various western cities, principally Vancouver, Regina and Winnipeg.

* * *

Announcement is made that the Maryland Casualty Company will open a branch office under the management of F. J. Lightbourn, in the Smith, Mackenzie & Hall Building, 54 Adelaide St., East, Toronto, to take care of the company's business in the province of Ontario, from June 1, next. Messrs. Smith, Mackenzie, Hall and Hunter, will continue as Toronto representatives.

* * *

Andrew Hood, cashier at Edmonton for the Manufacturers' Life Insurance Co., has been promoted to the position of resident secretary for the company at their foreign office in Shanghai, China. Mr. Hood succeeded Stuart Lowrie at Edmonton two months ago, when the latter was promoted to the post of resident secretary in Japan. Prior to that, Mr. Hood was cashier at Saskatoon for a year. He is succeeded in Edmonton by H. Cathers, assistant cashier at Winnipeg. Eric Jermyn comes from the head office in Toronto to the position of assistant cashier in the Winnipeg office.

* * *

"That man will be dead in two months" were the words used by a friend when referring more than three years ago to Major J. A. MacKenzie, of Halifax. And the major looked it. He had only then recovered from a unique but successful operation performed two years before, an operation necessitated as a result of his condition after returning from France.

Three weeks ago it was this man who received the appointment of provincial manager for the Dominion Life Assurance Company in P. E. I. and took up his duties in Charlottetown on May 1. This promotion for Major MacKenzie has come as a result of his ability, energy and faithfulness demonstrated during his period of service with the company. Since joining the Halifax office he has always been a large consistent producer and, while regaining his health, was responsible for securing several now well-known representatives for the Halifax organization. The qualities which were responsible for Mr. MacKenzie's rapid rise in the army from the rank of private were not discarded when he entered the insurance profession.

Insurance Problems

Insurance questions of general interest, submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

CREDIT INSURANCE

J. M., Hamilton.—Can you tell us the name and address of other insurance companies insuring credits? We are now insured with American Credit Indemnity Co.

The only other company licensed to write credit insurance in Canada is the National Surety Company which has its head office in Montreal.

T. EATON LIFE INSURANCE

C. P., Newfoundland—In a recent issue of your paper you made reference to certain life insurance companies that have adopted a scheme of selling life insurance in conjunction with their mail order system. I will be obliged if you will give me any information you can as to the methods employed, and any other information available.

The only company selling life insurance in connection with a mail order business is the T. Eaton Life Assurance Company owned and operated by the T. Eaton Company of Toronto.

They are enclosing with their catalogues circulars offering life insurance on various plans. The circulars are designed to bring inquiries which are answered direct by mail and from that point on each case in individually dealt with.

BARTON AND ELLIS

Ontario Subscriber.—Can you tell me if Barton & Ellis are safe to insure with?

The Barton and Ellis Co., is a part of the firm of Russell and Fairfield, of Boston, Mass., incorporated in Massachusetts and in New Brunswick and licensed as agents in New Brunswick, Quebec and Ontario. They have been transacting business in Canada as fire insurance brokers and agents for more than 15 years. They have a very large business and deal with insurance in most of the tariff and non-tariff companies.

You will understand, however, that the security for your claims is not the firm that places your insurance as agents or brokers, but the companies with which the business is finally placed. While good brokers will only recommend companies they know to be sound and efficient you must look to the insurance company rather than to the agent or broker for your protection.

We cannot, therefore, give any opinion as to the security of your insurance without knowing in what company the insurance is placed. If you will supply us with a list of these companies we shall have each one individually checked up and make our report.

Arcola Farmers' Mutual Fire Losses Were Heavier

From Our Own Correspondent

WINNIPEG. — The Farmers' Mutual Fire Insurance Company held their directors' spring meeting in the town hall, Arcola, Sask. Reports showed the fire losses considerably heavier than they were up to the same time last year. All losses to date were ordered paid.

The directors' meeting of the Farmers' Mutual Hail Insurance Co. was also held. Hail rates for the season were set, which showed a slight reduction in the high rate district in the southern portion of the province. Other small rate adjustments were also made in other portions of the province.

LICENSES ISSUED

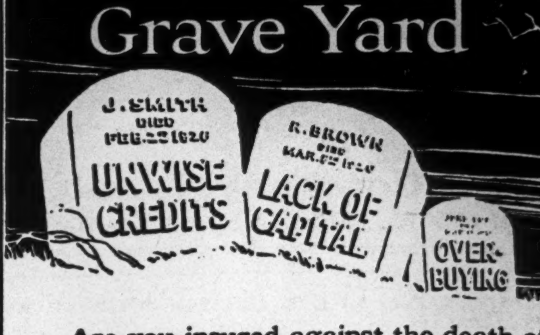
Dominion licenses have been issued to Union Insurance Society of Canton, Limited, to write burglary insurance; to the Casualty Company of Canada, to write accident insurance, sickness insurance and guarantee insurance except contract bonds; to the Hudson Bay Insurance Company, to write sprinkler leakage insurance; to the British Northwestern Fire Insurance Company, to write Tornado insurance; to The T. Eaton General Insurance Company, to transact inland transportation insurance.

J. J. Vaughan, Toronto, Ont., has been appointed chief agent in Canada.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

THE Western Empire Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

The Business Grave Yard



Are you insured against the death of your customers' business?

Out of every 1000 concerns that enter business, 950 will fail or reorganize at least once within a thirty year period. Some of your customers may be on the verge of business death, right now, without your knowing a thing about it.

Protect Yourself With Credit Insurance

It is a tried-and-proved method for protecting yourself against the failure of your customers. A policy of Credit Insurance in our company will protect all your resources—net profits, surplus, capital; it will eliminate worry and fear; it will provide you with efficient collection facilities.

Thousands of progressive Manufacturers and Jobbers are now employing this broad service.

CANADIAN DIVISION
The AMERICAN CREDIT INDEMNITY COMPANY
of New York. J. F. McFadden, President
R. J. MULLEN, General Manager for Canada.
Toronto Office, 1702-08 Metropolitan Bldg. Phone, Main 4316.
Montreal Office, Canada Cement Bldg., Phone: Lancaster 3258.
KR341

Securing your future

The man who takes out a 20-Pay Life Coupon Savings Policy to-day will receive an accumulation of benefits all through his life—protection for himself and his dependents and increased dividends every year for 20 years.

These dividends are provided in the form of guaranteed coupons attached to the policy. You clip your first coupon in 1927 and from then on their guaranteed cash value increases each year. If you leave the coupons untouched, the policy will be paid up in 15 instead of 20 years—your dependents protected without further cost to yourself.

Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.

The NORTHERN LIFE ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897

Increase the Income From Your Property

by placing your affairs in the hands of experienced executives. A very interesting booklet, "Your Property Income", explains this service in detail.

A copy will be mailed upon request.

THE STERLING TRUSTS CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

THE MONARCH LIFE IS A GOOD COMPANY

Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
THE NORTHWESTERN MUTUAL
Is now returning annually in dividends to its Policyholders over $1,000,000.
Writing Fire Insurance at Cost. Assets $3,118,764.07.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All policies dividend paying and non-assessable.

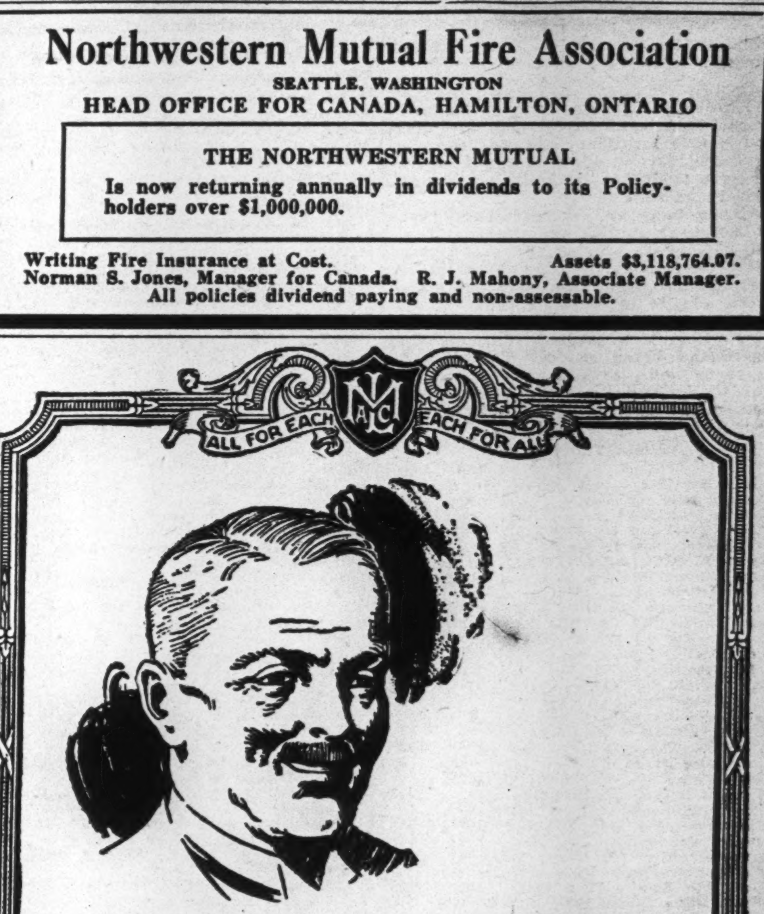
The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

Metropolitan Life Insurance Co.

The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.

Head Office-Ottawa, Canada

Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,218,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 86,743,283



Expected to Pay for 20 Years
Finished in 14

HERE is a case where Mutual profits were so generous, that this policyholder was handed a *paid up* policy for $1,000 in 1926 instead of 1932. In addition, he was given $8.26, instead of being asked to pay his 1926 premium.

This policyholder is no exception. Every other Mutual policyholder of the same age who took a 20 Pay Life P & M Policy in 1912 has received the same treatment and is feeling just as happy.

Mutual Life profits are more than a promise. They are actual, genuine facts, as you can see for yourself, if you will ask the Mutual Life Agent to show you his Mutual Book of Results. It shows the Mutual's wonderful profit record for the past 45 years. It shows what the Mutual principle of insurance means to you.

The MUTUAL LIFE of Canada
WATERLOO, ONTARIO
922

My rings are gone!

When the petty thief and the porch climber have made off with your valuables—what then? Protect yourself against loss from the menace of burglary and sneak thieves by a policy with us.

The British America Assurance Company of Toronto
Established 1833

Will You Default?

When a man dies he not only cuts off, in most cases, the principal income of the home—

But he does more.

He *often* leaves debts. He *always* creates them.

If he is properly assured, the event that inevitably creates debts, just as promptly provides the funds to pay them.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE : MONTREAL

Current Events in Banking World

BANKERS OF TWO OPINIONS AS TO INSTALMENT PLAN

Favorable Report is Help Up and Storm of Protest Follows

New interest from both a banking and commercial standpoint has been aroused in the question of part-payment merchandising as the result of the proceedings at the meeting of the American Bankers' Association at Pinehurst, N.C., last week. The association had appointed a committee to report on the whole situation of part-payment financing and a survey had been made by Milan V. Ayres, of Chicago. A summary of the report, which was generally favorable in regard to the existing situation, had been sent out in advance, a copy being received in due course by The Financial Post. But at the "eleventh hour" advices were sent out by telegraph stating that the report had been held up and that action had been deferred until the national convention to be held in Los Angeles in October.

According to the Wall Street Journal, the action of the A.B.A. in shelving the report has aroused a storm of protest in automobile trade circles. The decision came as a surprise as a formal acceptance of the report had been confidently expected. Apparently there is some belief that the last minute action in shelving the report was due to the fact that its tone was generally favorable to the practice of instalment buying and that sufficient attention was not given to safeguards which should be observed by bankers in considering loans to finance companies, although such safeguards are emphasized in the policy commission's covering letter.

Automobile Credit is Largest

The findings of the commission show that there is $2,744,000,000 of national instalment debt outstanding in the United States at a time on an annual retail turnover of $6,467,000,000 of diversified goods sold on instalment, although the total credit granted in a year is $4,747,000,000 as the cash down payment averages 26.6 per cent. This form of business, it says, is proving a safe and profitable base for bank loans. About 54 per cent. of the outstanding debt or $1,500,000,000 represents automobile purchases.

There are about 1,000 active finance companies covering many classes of business, but carrying only about one-third of the total instalment loans. The balance are handled by dealers, manufacturers and bankers. The additional cost in purchasing under the instalment plan is estimated to equal an annual interest rate of 15 per cent. to 40 per cent., although this includes other costs and services such as insurance, etc.

Losses by banks are said to have been almost negligible on loans to finance companies which generally limit their bank borrowings to not more than four times capital and surplus, and while no practical test has been made of the result which might follow a business depression, it is pointed out that in 1914 and 1921 trade set-backs, losses due to defaulted payments increased very little.

The report estimates that at any given time only about 42 per cent. of the year's instalment purchases are outstanding as loans, and that as buying stops quicker than paying, the debt would be down to 25 per cent. of the purchase value in about three months, to 14 per cent. in six months and to 2 per cent. in a year. It is estimated that in the past two years the total national instalment debt has increased by about 7 per cent., with no apparent advance in respect of automombiles and pianos and with an increase of 209 per cent. in radio sets and 450 per cent. for mechanical refrigerators, two comparatively new industries.

The following summary indicates the increase in part-payment merchandising in various lines:

	Ayres report 1923	1925	% inc.
Automobiles	*$1,486	†$1,486	0
Furniture	471	542	15
Pianos	212	212	0
Phonographs	80	84	5
Radio sets	11	34	209
Washing machines	42	46	10
Vacuum cleaners	12	13	8
Sewing machines	90	94	5
Gas stoves	11	12	9
Refrigerators	2	11	450
Jewelry	33	41	24
Clothing	20	36	80
Property improvements	23	45	95
Tractors	25	28	12
Farm equipment	12	13	8
Miscellaneous	24	47	96

*000,000 omitted. †No estimate made.

"Statistics of bank loans and discounts covering the past five years," says Mr. Ayres, "do not indicate any marked expansion which can be attributed to financing instalment loans. Savings deposits increase every year and the figures do not show that they have suffered by the diversion of money to instalment buying. Amounts of new life insurance taken out and of insurance premiums paid increase steadily, with no suggestion of being slighted in favor of instalment buying."

Federal Reserve System and Purchasing Value of Dollar

NEW YORK.—The means whereby and the extent to which the Federal Reserve System can promote the stable purchasing power of the dollar were discussed at the meeting of the Stable Money Association. That the Federal Reserve System could control the general price level to a considerable extent, and that this would be a desirable thing to do if proper means could be found, but that the power to do so might be overestimated by the people if this were made the subject of legislation, was the consensus of opinion of the speakers, who included Norman Lombard, executive director of the Stable Money Association, Congressman James G. Strong, the author of the Strong Stabilization Bill, W. P. G. Harding, governor of the Federal Reserve Bank, of Boston, Louis T. McFadden, chairman of the House Banking and Currency Committee, and Dr. A. C. Miller, of the Federal Reserve Board.

Five Branches Opened During Month; Five Closed

Only five new branches were reported opened by the Canadian chartered banks during the month of April and during the same period five closed. Following is a list of the branches opened and closed during the month:

Opened

Imperial — Kitchener, Hudson, Ont.; Elk Lake, Ont.

Standard—Lacadena, Sask.

Toronto—Hudson, Ont.

Closed

Can. Nationale—Quebec, four branches.

Provincial—S.-Canut, Que., sub-agency to St. Scholastique, Que.

CHANGE IN NAME OF BRANCH

The name of the Montreal, Sherbrooke and Draper branch of the Royal Bank has been changed to Montreal, Sherbrooke and Hampton branch.

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES

	May 7, 1925	May 6, 1926
Halifax	$ 3,188,222	$ 3,450,936
St. John	3,168,783	2,896,374
Quebec	6,982,547	6,763,371
Sherbrooke	1,053,431	933,289
Ottawa	12,313,402	10,369,503
Kingston	960,964	908,733
Peterboro	996,712	1,036,152
Toronto	116,579,320	123,541,535
Hamilton	6,686,091	6,114,268
Brantford	1,091,305	1,154,8[illegible]7
London	3,071,432	4,254,757
Sarnia	....	510,631
Kitchener	1,022,084	1,172,669
Windsor	3,149,025	4,699,412
Chatham	....	904,296
Moncton	852,799	955,331
Total, East	$160,116,117	$169,666,094

WESTERN CITIES

	May 7, 1925	May 6, 1926
Winnipeg	$55,502,717	$54,635,565
Brandon	626,996	635,692
Regina	3,111,498	5,169,667
Moose Jaw	1,180,525	1,162,671
Saskatoon	1,565,625	2,090,113
Prince Albert	340,609	427,860
Lethbridge	593,454	570,530
Calgary	5,981,842	6,296,571
Edmonton	6,321,870	7,036,882
Medicine Hat	339,767	366,875
New Westminster	766,689	999,449
Vancouver	17,560,100	19,650,314
Victoria	2,399,750	2,806,092
Total, West	$96,281,442	$101,838,281

Staff Gossip

W. A. Caesar, of Alliston, has been transferred to the local branch of the Bank of Toronto, as teller.—Standard, Havelock.

* * *

Cecil Forest, teller at the Dominion Bank, Moose Jaw, has been promoted to paying teller of the branch at Calgary.—Leader, Regina.

* * *

J. H. Robertson, manager of the Bank of Commerce, Smith's Falls, has been notified of his transfer to Bridgewater, Nova Scotia. His successor is O. F. Anderson, of Blenheim, Ont.—British Whig, Kingston.

* * *

Harry J. VanVlack, formerly of the Bank of Nova Scotia staff at Ottawa, has recovered sufficiently from his recent illness to resume his duties at the bank, and is now stationed at Maxville, Ontario, as manager of the branch there.—Gazette, Picton.

* * *

Arthur Jones who was manager of the local branch of the Molsons Bank for thirteen years prior to its amalgamation with the Bank of Montreal, and who went with his bank into the merger, has resigned and accepted a retiring allowance from the Bank of Montreal. Mr. Jones served thirty-one years as a banker. —Intelligencer, Belleville.

* * *

A dinner was given at the Brantford club recently in honor of Arthur Kohl, for many years manager of the local branch of the Bank of Montreal, and who, upon superannuation, is removing to Victoria. B.C., to reside. The participants included members of the local Bankers' Association, the principal local customers of the bank and some of the most intimate friends of Mr. Kohl. R. Clarke, assistant general manager of the bank for Ontario, was present and was accompanied by Major Norsworthy, the supervisor of agencies at Toronto, and Mr. Skelton, the Hamilton manager and G. I. Evans. —Expositor, Brantford.

* * *

Reginald S. Morphy, assistant manager of the Windsor branch of the Bank of Montreal and formerly manager at Walkerville, has been notifed of his appointment to the managership at Oshawa. He will assume his new duties in about a fortnight. Mr. Morphy came to the Border Cities in 1919 as manager at Walkerville and was later named assistant chief of the important Windsor office. He joined the Bank of Montreal staff in Almonte, Ont., and spent some years in various Montreal branches and the head office. He was manager of the St. Henri branch in Montreal for three years and for one year was on the staff of the western inspector. For two years he was manager at Aurora, coming from that town to the Border Cities.—Star, Windsor.

Loan Companies' Bond Investments Are Higher

Following is a summary of the position of the loan and trust companies operating under Ontario charters for the quarter ending March as compared with the last quarter of 1925:

Loan Companies

	Quarter March, 1926	Previous Quarter
Total deposits	$45,043,425	$44,247,217
Cash	3,940,901	6,102,503
Government bonds	17,002,223	14,714,783
Municipal debs.	5,334,094	5,159,063
Demand loans	1,224,632	1,139,824
Cash and securities	27,501,851	27,166,175
Per cent. of cash, etc., to deposits	61.06	61.40

Trust Companies

	Quarter March, 1926	Previous Quarter
Trust deposits	$13,835,074	$13,189,955
Spec. guar. inv.	18,458,984	19,103,329
Gen. guar. inv.	28,150,232	26,431,947
Total funds	60,444,292	58,725,232
Accrued int.	119,748	304,235
Cash	1,809,193	2,103,397
Can. bonds and secs.	4,740,276	3,762,965
Municipal debs.	5,769,090	4,861,891
Sch. and tel. debs.	254,902	474,408
Mortgages	35,972,312	35,022,380
Demand loans	2,032,334	2,433,102
Trustee invest.	50,578,110	48,658,145
Interest due	749,793	1,140,713
Sec., not author. as trustee inv.	9,242,263	9,228,909
Total invest.	60,570,168	59,027,768

HAMILTON CLEARING HOUSE

At the annual general meeting of the Hamilton Clearing House held recently the following officers were elected for the ensuing year: Chairman, R. G. Wallace, manager Bank of Nova Scotia; vice-chairman, A. C. Skelton, manager Bank of Montreal; executive committee with above: F. S. Glassco, manager Imperial Bank of Canada; A. E. Taylor, manager Canadian Bank of Commerce; J. Stephen, manager Bank of Toronto; A. C. Rowe, manager and secretary-treasurer.

IMPERIAL BANK

The Imperial Bank announces the following staff changes: L. C. Current, accountant Kirkland Lake branch, is now accountant-teller Elk Lake. E. J. Baker, manager Essex, has been promoted to the position of manager Port Colborne branch. R. E. Bates, formerly paying-teller at Edmonton, is now accountant-teller at Broadview, Sask. J. Fenton, accountant at Schomberg branch, has been promoted to the accountancy at Cobalt. J. A. G. Clokie, formerly manager Laird, Sask., has been appointed manager Grande Prairie, Alta. B. O. Beatty, formerly teller Richmond Hill branch, has been transferred to one of the boxes at Bay St., Toronto. C. W. Cornwall, accountant at Harrow, has been promoted to the post of accountant-in-charge of South Woodslee branch. G. C. Brown, manager Welland branch since 1897, is retiring from active service early in May. L. T. Henderson, recently stationed at Adelaide & Victoria and the Market branches, Toronto, has been appointed accountant-teller of the new branch at Kitchener, Ont.

Expanding Business Reflected in Increased Current Loans

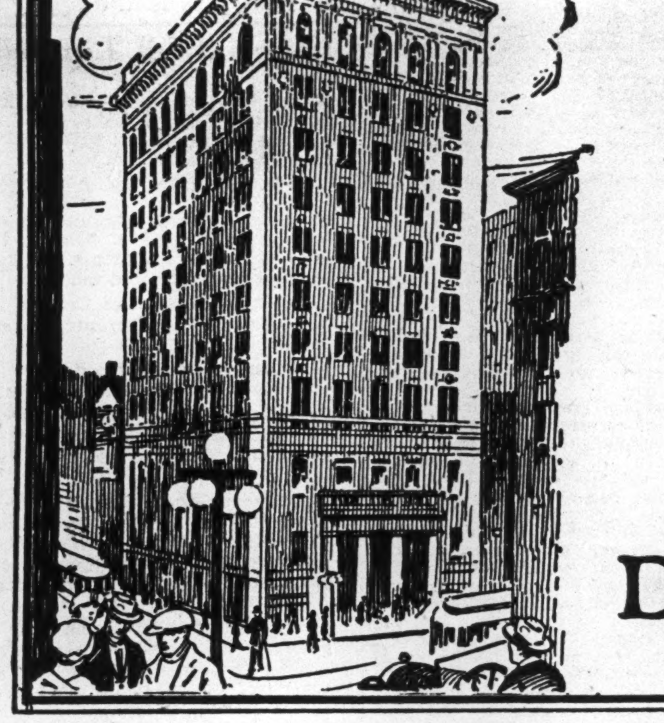
Expanding business in Canada during the month of March is indicated by an increase in the current loans of the banks of $37,600,000 as shown in the government return. The total of $900,000,000 at the end of March was still $17,200,000 below the corresponding report for 1925, but the change in the general trend during March was quite marked.

During the month, savings deposits showed a further increase of about $5,000,000 the total for savings reaching the immense figure of $1,337,500,000, which compares with slightly more than $900,000,000 of current loans and indicates a surplus of savings over such loans of more than $400,000,000. Savings deposits during the year ending March increased over $71,000,000, and demand deposits more than $68,000,000, making a total increase in all deposits of nearly $140,000,000.

As the result of the slump in prices in Wall Street and the contraction in trading there, call loans in New York declined by nearly $25,000,000 during March. Canadian call loans showed an increase of over $3,900,000. Current loans abroad were higher by about $10,000,000. Loans to municipalities declined more than $6,000,000. Following are comparative figures:

BANK STATEMENT FOR MONTH OF MARCH
Immediately Available Liquid Resources

ASSETS	March, 1926	February, 1926	Change	March, 1925	Change
Specie	$ 60,069,810	$ 59,941,940+	$ 127,870	$ 57,135,318+	$ 2,934,492
Dominion notes	122,148,729	132,562,215—	10,413,486	134,773,317—	12,624,588
Gold reserve	62,860,332	55,860,332+	7,000,000	53,452,533+	9,407,799
U. K. banks	8,023,305	9,929,942—	1,906,638	6,164,497+	1,858,808
Foreign banks	66,777,933	57,575,417+	9,202,516	74,665,585—	7,887,652
For. curr.	22,089,641	22,629,381—	539,740	28,981,810—	6,892,169
Gov. secs.	376,765,107	364,459,286+	12,305,821	354,136,356+	22,628,751
Call loans, abroad	240,446,694	264,686,297—	24,239,603	200,008,128+	40,438,566
	$ 959,181,551	$ 967,644,811—	$ 8,463,260	$ 909,317,544+	$49,864,007
Loans and Securities Other Than Those of Canadian Government					
Pub. secs.	$ 135,995,059	$ 136,291,805—	$ 296,746	$ 153,927,796—	$17,932,737
Rly. secs.	63,906,476	63,518,662+	387,814	60,969,877+	2,936,599
Can. call loans	134,556,239	131,332,116+	3,224,123	115,703,593+	18,852,646
Current	900,379,266	862,716,608+	37,662,658	917,645,337—	17,266,071
Loans abroad	270,325,691	260,040,597+	10,285,094	222,091,308+	48,234,383
Prov. loans	17,461,788	15,636,147+	1,825,641	14,473,923+	2,987,865
Municipal	68,105,045	61,872,271+	6,232,774	64,822,700+	3,282,345
	$1,590,729,564	$1,531,408,206+	$59,321,358	$1,549,634,534+	$41,095,030
Other Assets					
Non-curr. loans	$ 9,571,127	$ 9,775,039—	$ 203,912	$ 11,135,684—	$ 1,564,557
Real estate	8,541,547	8,588,271—	46,724	8,778,100—	236,553
Mortgages	5,225,650	5,157,257+	68,393	4,081,293+	1,144,357
Premises	72,913,710	73,003,713—	90,003	73,127,735—	214,025
Lets. of credit	70,611,459	69,735,607+	875,853	61,931,610+	8,679,849
Loans to comp.	5,382,712	4,879,888+	502,824	5,864,741—	482,029
Other assets	2,965,450	3,050,364—	84,914	3,416,512—	451,062
	$ 175,211,655	$ 174,190,139+	$ 1,021,516	$ 168,335,675+	$ 6,875,980
Total	$2,725,122,770	$2,673,243,156+	$51,879,614	$2,627,287,753+	$97,835,017
Note circ. dep.	5,815,163	5,804,736+	10,427	6,240,651—	425,488
Int. bank bal.	120,809,301	103,201,527+	17,607,774	117,722,574+	3,086,727
Gross	$2,851,747,234	$2,782,249,419+	$69,497,815	$2,751,250,978+	$100,496,256
Liabilities to the Public					
Circulation	$ 163,952,235	$ 163,617,467+	$ 334,768	$ 157,888,900+	$ 6,063,335
Dom. govt.	22,602,643	27,226,764—	4,624,121	20,366,934+	2,235,709
Prov. govt.	23,229,187	23,709,561—	480,374	26,038,382—	2,809,195
Govt. advances	10,000,000	2,000,000+	8,000,000	14,700,000—	4,700,000
Deposits by Public					
Demand dep.	$ 559,688,681	$ 509,518,379+	$50,170,302	$ 491,445,945+	$68,242,736
Savings dep.	1,337,573,158	1,332,784,116+	4,789,042	1,266,231,798+	71,341,360
Total Can.	$1,897,261,839	$1,842,302,495+	$54,959,344	$1,757,677,743+	$139,584,096
Foreign dep.	333,318,401	323,524,573+	9,793,828	388,858,362—	55,539,961
Due to Banks Abroad, etc.					
United Kingdom	$ 7,314,656	$ 6,203,957+	$ 1,110,699	$ 9,043,411—	$ 1,728,755
Foreign	38,047,333	39,900,718—	1,853,385	27,546,729+	10,500,604
Bills pay.	10,561,438	11,325,186—	763,748	11,368,384—	806,946
Lets. of credit	70,611,459	69,735,607+	875,852	61,931,610+	8,679,849
Other liab.	1,874,172	1,817,058+	57,114	1,914,508—	40,336
Public liab.	$2,578,773,363	$2,511,363,386+	$67,409,977	$2,477,334,963+	$101,438,400
Due bet. banks	11,373,381	11,526,850—	153,469	13,145,213—	1,771,832
Liability to Shareholders					
Dividends	$ 700,270	$ 2,642,093—	$ 1,941,823	$ 717,831—	$ 17,561
Reserve	125,441,700	125,441,700	....	122,191,700+	3,250,000
Capital	116,164,660	116,164,660	....	120,164,660—	4,000,000
Gross	$2,832,453,374	$2,767,138,689+	$65,314,685	$2,733,554,367+	$98,899,007



Foreign Exchange

OUR Private Wires between Montreal, Toronto and New York afford us unexcelled facilities for dealing in Foreign Exchange, and with our own offices in New York and London we keep in close touch with all the principal foreign markets of the world.

We can assure you prompt service and lowest possible rates.

Telegraphic and Cable Transfers a specialty.

THE DOMINION BANK

Established 1871

Return of the Chartered Banks of the Dominion of Canada, March 31, 1926

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorised	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notesheld	Greatest amount notes in circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	41,970,877	16,141,955	....	4,196,381	151,675,024	377,242,679	77,489,358	2,656,718	1,645,442	5,279,597	405,227	12,090,558	663,514	34,918	29,916,700	29,916,700	751,325,654	31,175,000	12	1,646,916	20,227,160	51,629,992	43,499,524
Nova Scotia	14,441,427	809,817	....	968,233	33,758,779	120,034,735	34,154,592	2,211,776	554,275	1,430,025	648,130	5,925,426	152,063	403,848	19,500,000	10,000,000	244,993,130	15,000,000	16	1,220,383	9,365,074	8,141,501	14,601,797
Toronto	7,213,607	175,413	1,000,000	826,204	30,419,944	54,679,783	....	761,587	....	1,595,870	686,750	1,293,866	141,849	3,506	7,000,000	5,000,000	110,798,382	10,000,000	12	1,011,546	407,271	5,206,641	7,446,315
Provinciale	3,782,433	92,854		240,167	5,078,987	30,651,719		....		18,609			93,110	5,699	1,500,000	3,000,000	44,463,581	5,000,000	9	....	176,147	216,540	3,832,868
Commerce	25,797,958	2,585,170		4,632,195	118,134,878	217,888,532	39,191,175	643,897	3,465,260	9,973,521	1,824,221	13,632,024	....	21,331	20,000,000	20,000,000	477,790,167	25,000,000	12	5,134,800	17,261,000	21,377,000	26,612,836
Royal	36,217,521	1,376,161	6,000,000	6,271,623	131,429,673	274,356,760	179,626,462	1,125,470	1,080,799	17,308,318	6,902,145	27,863,214	....	41,565	24,400,000	24,400,000	738,399,717	30,000,000	12	1,596,029	11,385,015	15,591,602	37,027,308
Dominion	6,807,146	320,136	1,500,000	822,367	25,309,273	62,416,455	1,524,120	2,026,835	211,112	1,174,948	94,965	8,065,183	626,817	180,497	7,000,000	6,000,000	124,079,858	10,000,000	12	1,032,505	2,131,000	3,815,000	7,149,674
Standard	5,920,930	163,996	1,500,000	679,932	17,736,558	49,578,780	....	1,287,057	112,352	612,582	....	310,806	196,773	2,511	2,900,000	4,823,400	85,825,681	5,000,000	12	348,046	579,018	2,940,663	6,019,275
Nationale	12,008,489	453,061	....	999,879	17,731,067	82,751,736	1,332,694	575	211,377	464,556	....	780,852	....	5,224	5,500,000	5,500,000	127,739,515	10,000,000	10	89,121	826,059	4,060,353	12,042,809
Imperial	9,211,107	414,575	....	3,575,216	26,654,237	65,667,404		659,466	34,039	169,035	....	649,530	....	1,171	7,500,000	7,000,000	121,535,784	10,000,000	12	735,029	982,692	8,040,654	9,572,854
Weyburn Security	580,740	69,505	....	16,990	1,760,261	2,304,575		....	....	20,272	....	....	....	....	225,000	524,560	5,501,905	1,000,000	5	85,593	23,890	55,458	600,712
Total	163,952,235	22,602,643	10,000,000	23,229,187	559,688,681	1,337,573,158	333,318,401	11,373,381	7,314,656	38,047,333	10,561,438	70,611,459	1,874,126	700,270	125,441,700	116,164,660	2,832,453,374	152,175,000	.....	12,899,968	63,364,326	121,075,404	168,405,972

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stock	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	20,342,700	47,971,882	3,128,573	794,897	20,920,837	155,660	26,010,866	98,183,064	35,563,418	3,056,226	13,877,323	148,456,620	211,324,379	50,744,716	27,632,268	2,708,573	904,159	1,284,242	12,150,000	12,090,558	1,282,241	15,000,000	1,451,414	550,956	755,585,582
Nova Scotia	9,414,695	8,115,447	955,930	2,184,314	12,212,731	....	2,391,908	37,006,763	11,287,711	14,871,034	16,450,319	9,967,723	71,494,270	22,830,605	6,536,451	313,817	57,902	81,933	7,363,039	5,925,426	477,272	6,000,000	....	138,359	246,077,661
Toronto	428,581	5,004,892	452,370	77,427	5,642,201		4,022,673	22,565,135	7,331,739	4,436,928	5,414,068	....	45,948,495		2,070,018	254,569	....	222,739	3,550,061	1,293,866	249,267	3,055,866			112,020,905
Provinciale	182,560	250,247	507,472	47,874	1,319,883		283,193	4,757,075	1,331,661	2,825,388	10,650,444		15,216,402		1,079,441	189,475	389,257	91,188	1,732,534	....	155,800	900,000		264,199	44,565,218
Commerce	9,649,793	18,898,408	1,980,885	1,687,873	18,752,676	2,391,117	17,066,475	57,943,043	25,976,360	11,853,798	25,726,077	21,240,086	176,776,634	31,151,459	21,305,864	1,944,938	2,347,645	819,335	11,896,710	13,632,024	1,000,000	5,000,000	1,526,847	325,477	482,502,418
Royal †	15,385,798	21,775,661	3,069,896	16,892,839	26,751,702	480	20,083,449	90,313,407	29,156,771	19,921,241	28,150,783	50,694,886	177,704,171	161,504,944	11,201,300	2,567,009	2,266,594	1,183,651	15,750,540	27,863,214	1,440,000	15,000,000	2,404,451	530,779	741,613,075
Dominion	2,138,458	4,756,396	713,355	105,344	4,189,421	2	1,441,348	17,663,302	6,464,974	2,519,237	9,197,417	4,837,379	52,472,848	1,063,239	9[illegible]750	311,150	60,458	19,668	5,927,839	8,065,183	316,975	1,700,000		244,809	125,111,564
Standard	597,819	2,711,609	392,942	48,833	4,113,932	....	1,130,676	12,864,649	3,694,633	2,623,049	9,957,948	....	39,350,279	....	1,872,484	614,684	305,444	176,259	3,744,789	310,806	258,000	1,500,000		147,797	86,459,640
Nationale§	903,734	4,583,564	1,035,690	154,510	3,890,745	887,976	840,283	18,661,961	8,299,248	1,243,886	7,149,315	650,000	57,360,771	837,402	6,100,484	185,052	1,387,655	734,359	5,562,054	780,852	283,419	7,000,000		206,033	128,739,004
Imperial	1,002,372	8,021,481	704,780	93,456	5,075,474	716,324	1,502,470	15,939,477	6,879,230	61,447	7,982,545	4,600,000	50,651,316	1,993,326	6,845,627	381,489	638,482	502,759	4,993,396	649,530	325,458	3,504,466		482,188	123,547,104
Weyburn Security	23,300	56,142	28,980	2,274	24,043	793,724	27,897	867,231	9,314	494,242	....	....	2,039,705	200,000	20,146	100,371	183,951	109,517	242,748	....	26,731	200,000		74,744	5,525,063
Total	60,069,810	122,148,729	12,970,873	22,089,641	102,893,145	4,945,283	74,801,238	376,765,107	135,995,059	63,906,476	134,556,239	240,446,694	900,379,266	270,325,691	85,566,833	9,571,127	8,541,547	5,225,650	72,913,710	70,611,459	5,815,163	62,860,332	5,382,712	2,965,341	2,851,747,234

**Of this deposit, $17,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank in Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, MAY 6, 1926

ABUNDANT FUNDS AVAILABLE IN U.S. INVESTMENT HERE

Canadian Tells U.S. Convention of Huge Growth in Our Wealth

By GEORGE WILSON,

President, Toronto Board of Trade, in Address to Foreign Trade Convention at Charleston, S.C.

The estimated national wealth of Canada is 25 billion dollars, but this does not take into account the potential value of our undeveloped agricultural lands, mines, forests and water powers.

Canada's national debt is $2,400,000,000, compared with approximately 350 million dollars in 1914. Apropos of our undeveloped resources, it has been authoritatively stated that the nickel reserves in the Sudbury District of Ontario are equal in value to the total of the national debt. 80 per cent. of Canada's bonded debt is held by Canadians—the major portion of our existing debt was contracted in the maintenance of an overseas army averaging 500,000 men throughout the full period of the Great War. Incidentally, it may be noted that the present total annual cost of soldiers' pensions is about twice the amount of the total annual debt charges in 1914, at which date the population was 7,700,000.

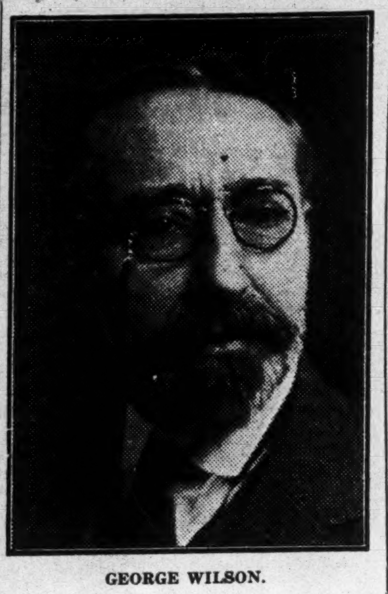
In the nine provinces 258 million acres are available for agriculture, of which latest statistics indicate that 141 million acres are occupied. The cultivable area of the three western provinces: Manitoba, Saskatchewan and Alberta is 167,000,000 acres, of which 39,000,000 acres were under cultivation in 1925. In that year these three provinces produced 388,000,000 bushels of wheat valued at 426,000,000 dollars.

The total Canadian wheat acreage in 1925 was 21,958,000 acres and the average yield 19.2 bushels per acre, compared with 54,000,000 acres in the United States with an average yield of 12.9 bushels per acre. On the basis of crops for the past five years Canada is second among the wheat producing countries of the world, the United States taking first place—approximately 80 per cent. of the Canadian wheat crop is available for export, thus placing Canada in the first place among the wheat exporting nations.

Forest Wealth Great

In 1923 the forest wealth of Canada was estimated to be 482,000,000,000 feet board measure of standing timber and 1,280,000,000 cords of pulpwood and other forest products. During the past fifteen years the newsprint manufacturing industry has expanded enormously, due in a large measure to strategically located water powers of almost unlimited extent in the pulpwood areas. With the rapid development of hydro electric energy, which is such a vital economic factor in this industry, the manufacture of newsprint alone (apart from groundwood, sulphite and sulphate pulp) increased from 350,000 tons in 1913 to 1,350,000 tons in 1924.

The United States has been the world's largest producer of newsprint, but owing to forest depletion will shortly take second place to Canada. Final figures for 1925 will probably show that Canada is among the world's largest newsprint producers. In 1913 the U.S. produced 86 per cent. of its domestic requirements, compared with 51.8 per cent. in 1924.



GEORGE WILSON.

The following statistics graphically indicate the relative activities in the newsprint industries in our respective countries.

Year	Consumption in U.S. (tons)	Production In U.S. (tons)	Production In Canada (tons)
1913	1,481,325	1,305,006	350,000
1920	2,193,323	1,512,000	875,000
1924	2,811,000	1,471,000	1,353,000
1925 (10 mos.)	......	1,258,723	1,250,974

Since the outbreak of the Great War in 1914 the regular flow of capital from Great Britain to Canada practically ceased, but we found a willing source of supply in the United States. Sales of Canadian government and municipal bonds, etc., have risen from $75,000,000 in 1914 to $300,000,000 in 1925. There are 700 American plants in Canada, and it has been estimated that American investments in Canada now total $2,750,000,000 compared with a total of British investments of $2,500,000,000. This demonstrates very clearly the faith of your great country in the economic soundness, potentialities and prospective development of Canada. Great as is the stake of the U.S.A. in Canada at the present time, we hope that still further generous supplies of this country's surplus capital will regularly find an abiding place in Canada.

Loss Investigation Bureau Now Covers Seven Provinces

Inauguration of a Dominion-wide effort to reduce fire waste went into effect May 1, when the Fire Underwriters' Investigation and Loss Bureau of Canada, to operate in seven provinces, with headuarters in Montreal, formally took over the Canadian Fire Underwriters' Association's investigation and loss bureau, which since 1923 has covered the territories of Quebec and Ontario. Practically every fire insurance company in Canada is represented by the new bureau, whose primary activity will be the investigation of fires of suspicious origin and co-operation with local authorities for the arrest and conviction of persons believed to be guilty of arson and kindred crimes.

In widening the scope of the old department, it is felt that the service rendered will be of assistance not only to the insurance companies, but to fire marshals and fire commissioners throughout Canada. The co-operation of the Canadian Fire Marshals' Association has been promised, it is understood. The records of the new bureau will be always available, it is stated, to the properly constituted local authorities. The Dominion bureau is expected to work hand in hand with the National Board of Fire Underwriters in New York, and close relations will be maintained with the Royal Canadian Mounted Police and the Pennsylvania State Constabulary.

A Composite Brain

That is what we bring to bear on your business problems.

It is not just the single ideas of Mr. Mutton or any of our associates. We bring the brains and ideas of hundreds of successful executives from all over the world. Everything we have in this world must have started from an idea. Our entire progress has been from ideas. The business ideas that have earned large profits for many successful executives would also help your business. How could it be otherwise? We recommend **only** plans that have **always** proven successful, with many years of economic proof.

THE MAN OUTSIDE LOOKING IN will bring you a true and valuable picture of your business. Free from any vested interest—impartial—With no axe to grind. You would find the "picture" worth a lot of money. We have proof of it from many important Canadian industries.

We solve sales problems.
We solve merchandising problems.
We solve organization problems.
We solve manufacturing problems.
We enhance the value of your advertising — Our counsel on this important subject is free of any vested interest.

By allowing us to make a thorough analysis of your business, you will secure the result of a composite brain that cost much money, and many years' time in Canada, also in foreign countries.

Let's sit around the table together. Talk it over. That won't cost anything. You would be surely interested in the letters from our clients.

F. E. MUTTON

Business Economist

705 Federal Building, Toronto, Adelaide 8031

ISSUES WARNING ON NEWSPRINT

John H. Price Says Enormous Expansion Viewed With Some Misgivings

From Our Own Correspondent.

MONTREAL. — At the annual meeting of Price Brothers and Company, John H. Price, the president, made the significant point that while the capacity of the U. S. to absorb newsprint has increased, yet the ability of this market to consume the ever increasing production should not be over rated. He also dealt with the company's plans for expansion and said in part:

"We are now carefully planning the increasing of the Riverbend Mill from 200 tons to 400 tons daily capacity, which will bring this mill to what we consider an ideal unit for economic operation. This will make the total capacity of your company's mills equal to 950 tons per day, or 290,000 tons per annum. For this we do not intend to dispose of any further securities of the company.

"The enormous expansion which is taking place, particularly in Canada, of the newsprint industry, is viewed by many with some misgivings. It is true this expansion has no precedent in the history of this country. Within a few years the industry has grown so fast that to-day it is one of paramount importance to the country, and particularly to the Province of Quebec. The principal market for our product is the United States of America, where the demand continues on the increase; but the ability of this market to absorb ever-increasing production should not be over-rated.

"Our forests are the basis of the industry and the conservation of these is a fundamental necessity. The laws and regulations governing both the holding and operating of these vast natural resources must be respected and improved as future conditions demand. Exploitation and speculation should be definitely discouraged. It is our policy to spare neither thought nor expense to reduce the fire hazard and to control our logging operations by scientific management.

"It is a source of gratification to me to know that the government of this province is fully alive to the situation and that the prime minister has declared the intention of his government to see to it that existing mills are properly provided with the necessary timber limits to guarantee their future operations before newcomers will be considered.

"The conservation of your company's properties has always been an important factor in the policy of your board and to-day we feel we are so established and economically situated as to fully justify the continuance of our program of expansion to its entirety."

STANDARD RELIANCE REPORTS SURPLUS

First Time Since Reorganization—Deficit of $331,975 Wiped Out

For the first time since reorganization, Standard Reliance Assets, Ltd., is able to show a surplus. The debit balance of $331,975, appearing in the previous year's statement, has been wiped out and for the year ended December 31, 1925, a surplus of $23,074 is shown.

The report of the secretary, L. V. Wright, in part is as follows:

"During the year the sum of $327,385.55 was paid to preferred shareholders, making the total of repayments to date $2,340,970.06. Approximately 45 per cent. of the outstanding liabilities of the Standard Reliance Mortgage Corporation and of the preferred shares issued by Standard Reliance Assets Ltd. has, therefore, now been returned in cash, and with improvements made in the position of the company's affairs, payment of the balance of 55 per cent. appears to be assured, while a possibility exists that in addition some part of the accrued interest will also eventually be met.

"In previous reports rendered to shareholders reference was made to the fact that certain prospective profits had been gained in realization upon the properties of the company and that these profits had not been reflected in the balance sheets and would not be taken into account until their collection was beyond per-adventure. The point has been reached where it is safe to take certain of such profits into the accounts, and accordingly $309,671.21 was transfered to profit and loss account in respect of them during the year ending December 31, 1925. Such profits were recovered as a consequence of the policy adopted of advancing monies to protect equities in important properties owned by the company, which has been completely justified. The prospects are that further profits of a substantial amount will also be gained, but these are not shown in the company's statements, as they are being held as reserves against possible—but not expected—shrinkages in other assets, and until their realization is definitely assured.

"With capitalization of the $309,671.21 profits above mentioned and the surplus of income over expenses in the year the deficit of $331,974.73 shown in the balance sheet of December 31, 1924, has been wiped out, and excluding interest on preferred shares, a surplus over preferred stock outstanding of $23,073.61 is now shown. With a deficit of $96,712.29 shown at the time when reorganization of the Standard Reliance Mortgage Corporation was effected, this means that, excluding interest, an improvement of $719,785.90 has been effected in the position of the company."

MEWBURN ON ROYAL TRUST BOARD

At a meeting of the board of directors of the Royal Trust Company, May 11, Major-Gen. the Hon. S. C. Mewburn, K.C., P.C., C.M.G., M.P., was appointed a member of the Hamilton advisory board of the company.

ADVANTAGE OF LOW TAX RATE

Kingston Whig: One of the greatest assets a city can have is a reputation for being a place where a man can afford to live in his own home, and where those who rent can do so at a price that gives a fair return to the owner without putting too great a burden on the tenant. Such a reputation is a strong factor in deciding the location of new industries. It has a very direct bearing on the creation of a desirable market, a feature which in itself no community can afford to overlook. A fairly low assessment helps to make this possible. This is the aim of the Kingston council in making its tax rate as low as possible.

The Foreign Exchanges

Conducted by S. J. ZACKS.

News of strike settlement sent a wave of enthusiasm over the foreign exchange market, strengthening all exchanges. Sterling cables which had sold down last week closed on Wednesday $4.85 5/16—4.86 1/16. The Belgian and French currencies also sold up closing on Wednesday at $.0317 and $.0315 respectively.

There is much speculation as to whether sterling will be able to maintain its strength since exports are bound to be curtailed during the next few months, while imports will probably be increased. Higher money rates at London of course should attract continental balances and even American balances, but some fear that the recent shock might have a deterring effect on the transfer of short time balances.

Recent increases in Bank of England gold reserves by $10,000,000 have been a firming factor.

The discount of U. S. funds closed on Wednesday at 1/16 per cent. There is no apparent reason for the strength of U. S. funds and many suggest they are a good buy at present. There have been rumors of contemplated transfer of bank reserve balances to Canada, owing to the continued low rate for call money.

Italian lire sold off to $.0398¾ on Wednesday at Toronto, to widest fluctuations in many weeks. The previous year's low was $.399 March 15. Some consider that lire is too high and that Italy in its debt negotiations bit off too much.

These point to Italy's unfavorable balance of trade, showing increasing imports. On the other hand, the lire has strong supporters including many bankers in New York, who claim that Italy has a balanced budget, a strong government that has the confidence of its people, and that the present excess of imports is merely temporary following internal development schemes.

NEW YORK FUNDS

	High Discount	Low Discount	Last year High Discount	Last year Low Discount
May 6	9-64	5-32	Par	1-64
May 7	9-64	5-32	Par	1-32
May 8	5-32	5-32	1-64	1-64
May 10	9-64	5-32	1-32	1-32
May 11	3-32	1-8	1-32	1-32
May 12	1-16	3-32	Par	1-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
May 6	4.85	3.13	4.01⅛
May 7	4.85	3.14	4.00¾
May 8	4.84¾	3.14¾	4.00½
May 10	4.85	3.13	4.00½
May 11	4.85 9/16	3.13¾	3.99¾
May 12	4.85 15/16	3.14½	3.98¼

FOREIGN EXCHANGE

Par		Close May 5	Close May 12
19.30	Italian	4.01⅝	3.98¾
23.82	German	23.77	23.79¼
32.45	Brazil	14.43 14.42	14.50
19.30	Belgium	3.04	3.17
94.85	Japan	46.41	47.15

Imperial Oil, Limited

DIVIDEND

Notice is hereby given that a dividend of twenty-five cents (25c) per share has been declared by the Directors of Imperial Oil, Limited, and that the same will be payable in respect of shares specified in any Share Warrant of the Company within three days after the Coupon Serial Number SIX (6) of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada, Toronto, Ontario,

or at the office of:

Imperial Oil Limited, 56 Church Street, Toronto, Ontario.

such presentation and delivery to be made on and after the 1st day of June, 1926.

Payment to Shareholders of record at the close of business on the 15th day of May, 1926 (and whose shares are represented by Share Certificates) will be made on and after the 1st day of June, 1926.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of May to the close of business on the 31st day of May, 1926.

By Order of the Board.

T. C. McCOBB, Secretary.

56 Church Street, Toronto, Ont.

WANTED
Big Executive
Fine Opportunity

An association of related concerns —some of the largest, most aggressive in American industry—seeks an executive of proven capabilities.

—a man of mature business judgment.
—a man who can direct a headquarters.
—a diplomat who can act for an executive committee.
—he must be well versed in national merchandising, advertising and publicity.
—he must be making good now—earning $10,000 a year at least.

For such a man we offer up to $20,000 to start, a unique opportunity for a present and future.

State simply what you are doing now and brief your history in business. Correspondence will be kept confidential.

Box 132, Financial Post, Toronto, Ont.

Mine Dividends Are Subject to Income Tax on 50% of Payments

Holders of dividend-paying mine shares may charge up 50 per cent. of their dividend payments to return of capital under the new budget, and so in future income tax returns will show only 50 per cent. of the sum received in dividends from mine shares. On Consolidated Smelters the allowance will be 25 per cent.

The mines with dividends paid are as follows:

Mine	Annual Dividend	Amt. Tax Free
Smelters	$3,296,578	$ 823,894
Hollinger	4,378,800	2,189,400
Dome	1,906,668	953,000
Premier	1,600,375	800,000
Nipissing	900,000	450,000
Keeley	480,000	240,000
McIntyre	798,000	399,000
Lake Shore	800,000	400,000
Mining Corp.	207,506	103,753
W. Hargreaves	550,000	175,000
Lorrain T. L.	150,000	75,000
T. Hughes	475,000	238,000

A BROADCASTING CORPORATION

NEW YORK.—Effective May 15, the radio broadcasting department of American Telephone & Telegraph Co. under the general designation of WEAF will be incorporated under the name "Broadcasting Co. of America."

This step has been made desirable by the growth of these activities and by the fact that the problems involved are of a special nature. This corporation, owned entirely by the American Telephone & Telegraph Co., will continue the same general policies as those obtaining heretofore in conducting these activities.

CANADIAN PACIFIC RAILWAY

Week end.	1926	1925	Change
May 7	$3,088,000	$2,880,000	+$208,000

Canadian National Railways

Week end.:	1926	1925	Change
May 7	$4,520,343	$4,303,754	+ $216,589

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Industries

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Notice

Will subscribers kindly note that every circulation representative of the MacLean Publishing Co., who is authorized to collect subscriptions for the trade papers, carries a credential card.

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Please note also that receipts for MacLean's Magazine are good only for that publication.

The MacLean Publishing Co.,
143 University Ave.,
Toronto, Ont.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of JUNE next, to Shareholders of record of 30th April, 1926.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR, General Manager.

Montreal, 20th April, 1926.

The Canadian Bank of Commerce

Dividend No. 157

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1926, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st June next.

The Transfer Books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board,

S. H. LOGAN, General Manager.

Toronto, 16th April, 1926.

The Royal Bank of Canada

DIVIDEND No. 155

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday, the first day of June next, to shareholders of record at the close of business on the 30th day of April.

By order of the Board,

C. E. NEILL, General Manager.

Montreal, Que., April 13, 1926.

SHARES FOR SALE

The undersigned invite tenders for the purchase of 27 shares of 2nd preferred stock and 27 shares common stock of National Grocers Limited. All tenders should be in writing and should be in the hands of the undersigned not later than May 22nd, 1926. The highest or any tender not necessarily accepted.

The Toronto General Trusts Corporation,
253 Bay Street, Toronto, 2.
Toronto,
May 7th, 1926.

Town of La Salle

Local Improvement Debentures

Tenders will be received by the undersigned, P. N. Monforton, Town Clerk, La Salle, Ont., up to six o'clock p.m., Wednesday, May 26, 1926, for Local Improvement Water Main Debentures, in the amount of $34,788.86, bearing interest at 5½% per annum, payable yearly. Principal to be payable during 20 years on the instalment plan, at the Bank of Montreal, La Salle, Ont. This issue was validated at the last session of the Provincial Legislature. The highest or any tender not necessarily accepted, and delivery to be for the whole of the above issue or none.

For further information write to

P. N. MONFORTON, Town Clerk, La Salle, Ont.

Western Grocers Limited

Notice of Dividend

A dividend of one and three-quarters per cent. (1¾%) on the New Preferred Stock of Western Grocers Limited has been declared for the quarter ending March 31st, 1926, payable June 15, 1926, to shareholders of record May 31, 1926.

By order of the Board.

W. P. RILEY, President.

Winnipeg, May 4, 1926.

Loblaw Groceterias Co., Limited

The quarterly dividend of 1¾% on the Prior Preference Shares, 3% on the Second Preference shares and 25c. per share on the Common Shares of Loblaw Groceterias Co., Limited, have been declared for the quarter ending May 31st, payable June 1st, to shareholders of record at the close of business May 17th, 1926.

By order of the Board,

DANIEL URQUHART, Secretary.

Canadian Pacific Railway Company

Dividend Notice

At a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 31st March last was declared from railway revenues and Special Income, payable 30th June next to Shareholders of record at three p.m. on 1st June next.

By order of the Board,

ERNEST ALEXANDER, Secretary.

Montreal, 5th May, 1926.

Sales Manager wanted at once for stock and bond issue of Discount Corporation.

Apply Box 134, Financial Post, Toronto, Ontario.

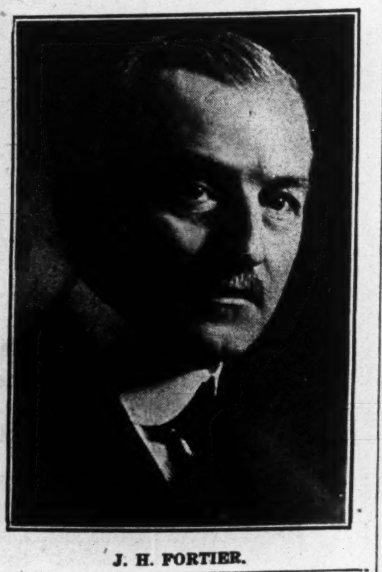
Western Farmers Have "Protection" in Freights

Low Rates on Wheat Bring Similar Benefits to Those Secured by Manufacturers Through a Protective Tariff

TARIFF NEEDED AGAINST FOREIGN PUBLICATIONS

By J. H. FORTIER,
President of the Canadian Manufacturers' Association in address at the annual banquet of Canadian Daily Newspapers' Association.

Why do we not make better progress? Is the reason partly political? Have we got into the habit of looking politically instead of economically at practical matters of business? In the British Isles there have been severe political dissensions, but in spite of these the British Empire gradually and steadily extended until it covers a quarter of the earth's surface. Politics is a serious subject in the United States, but nevertheless that country has developed in an amazing way. In Canada, so frequently our political struggles seem to result in getting the country into a state where little is done. Our political parties do not agree, or the five geographical sections of the country want different things, with the result that golden opportunities pass us by.



J. H. FORTIER.

If one political party brings forward certain proposals, is that sufficient justification for other parties to condemn all of them without trial? If one province advocates something, does it follow that the others must be hostile? If the people of one occupation hold certain views, are they necessarily opposed to the interests of other people?

We used to run our villages on that principle to some extent, but, recently, the community spirit has crept in and people have discovered that they can work together to common advantage. The same is true of business. Formerly, competitors could see little good in one another. Now they form associations, and discover that they can help one another.

Protection for Publishers

The customs tariff touches so many phases of our national life that no discussion of the country's problems can be intelligently carried on without reference to it.

Permit me to mention one industry by way of illustration, the industry of publishing magazines and periodicals. You are aware that the magazine publishers of Canada have been endeavoring for many years to obtain a reasonable measure of protection for their industry. They have asked the Government of Canada to impose a duty of ten cents a pound on the total weight of imported foreign publications. They state that sixty million copies of United States magazines and newspapers are brought into Canada annually. In this total are included twenty million copies of weekend newspapers. Canada is being flooded with United States thought through these publications. The Magazine Publishers' Association of Canada estimates that four billion, four hundred million pages of advertising for United States products are carried in these publications. This means competition for Canadian manufacturers who sell similar products, and also for us as vendors of advertising space. It is a serious matter for other Canadian manufacturers of paper, ink, machinery and other printers' supplies, who could sell more if these imported publications were printed in Canada. It is a very serious matter for the Canadians who are or who might be employed in the magazine publishing industry. The Magazine Publishers' Association estimates that, if the magazines and periodicals now imported were published in Canada, at least fifteen million dollars a year additional would be spent in Canada. Probably the most unfortunate feature of all is the fact that owing to the decline of the publishing industry, Canadian writers find so few opportunities in Canada that they have to go to American cities where they contribute their ideas to American periodicals. Is it any wonder, then, that so little progress has been made towards creating a national litterature in this country?

I scarcely need to emphasize the fact that the business of newspaper publishing is intimately connected with the industrial life of the country. The casualties in industry during the past few years are reflected in similar casualties in newspaper publishing. There are several reasons for these, but the industrial depression is chief. When the factories in a city are busy nearly all those engaged in other activities benefit. The money spent for materials and wages passes into the hands of the retail merchants, the transportation companies, the financial houses and the banks.

While eighty-three countries greatly increased their customs tariff since the war, Canada reduced her customs tariff seven separate times. Are our conditions so different that we can pursue an opposite course from the rest of the world?

The great example lies to the south of us. I do not wish to follow the United States in everything—perhaps not in many things—but I do not think that Canada can follow a different fiscal and commercial policy from that of the United States, and develop a strong united country north of the international boundary line. The United States put into effect an emergency tariff in May, 1921, and followed this up with the Fordney tariff in September, 1922, the highest tariff on the whole in the history of the United States. Prior to that, of course, for many years the tariff rates of the United States on the articles they wanted to protect were much higher than Canadian rates. What has happened? Broadly speaking, several years of the greatest prosperity that country has known. I quote the following extracts from an address by the Hon. Herbert Hoover, secretary of the Department of Commerce of the United States, in New York, on March 16th last:

"By our own prosperity we have increased the exports to us of other nations by 60 per cent. in volume in twelve years.

"Our export trade for 1925 was 37 per cent. above 1913. Although 1925 was a good year, it marked no sudden increase, as in 1924 our exports stood 30 per cent. quantitatively above 1913.

"Our exports of manufactured goods—our most competitive group—have expanded even faster than the other groups in our trade, yet our factories pay the highest real wages in the world.

"While we have increased our population 16 or 17 per cent. in a dozen years, we have swelled production of the nation by somewhere in the neighborhood of 30 to 35 per cent. Our farms produce 13 per cent. more with the same number of farmers as 12 years ago; our railways carry 22 per cent. more traffic with about the same number of men."

The U. S. Tariff Success

There were people who prophesied that when the people of the United States made a large increase in their tariff in 1922, their export trade would be lost because their costs would be increased to such an extent that they could not compete with the rest of the world. In 1925 the total exports from the United States exceeded by over one billion dollars the total exports of 1922. Instead of losing their export trade after an increase in their customs tariff they have greatly expanded it.

Let us look for a moment at the question of taxation in the two countries. In 1921 the United States collected in customs duty 292 million dollars. In 1925 this was increased to 570 millions, or nearly double the collections of 1921. In 1921 Canada collected from customs duties 179 millions. In 1925 this fell to 120 millions. During that time Canada imposed a heavy sales tax. The United States had no sales tax. The present Canadian sales tax is unsound, economically, and is a load on business and the consuming public. The United States avoided this. They did not need sales tax. Canada has been under a heavy burden of income tax since the war, although the recent reductions, very welcome to those who have any incomes, have brought considerable relief; but our rates, even after these reductions, are still considerably higher than those of the United States. Do not forget that, by taxing industrial dividends twice, the new budget increases the taxes of those whose incomes are derived from this source.

But we do not need to go to the United States for an example, effective though it is. Australia, since the war, has greatly increased her customs tariff. In 1921-22 the amount of duty collected was 84 million dollars. In 1925-26 it is estimated that 128 millions will be collected. During the past four years Australia has reduced its income tax by 47 per cent., calculated on a per capita basis. Eventually it is proposed to eliminate this tax altogether. In commenting upon this, the Sydney Daily Telegraph says:

"While the federal income tax, which was first imposed to meet war expenditure, is steadily diminishing, the customs revenue has been steadily growing, and the latter fact has been mainly responsible for the large surpluses which have been obtained during recent years."

Australia has no sales tax.

Not a High Tariff

One of the greatest fallacies in the discussion of the Canadian tariff question is the assumption that the Canadian Customs tariff is a high tariff. The tariff of Newfoundland, imposed almost entirely for revenue, is from two to three times as high as that of Canada. The tariff rates of the United States and Australia which are imposed for both protection and revenue are also from two to three times as high as those of Canada. I wonder if some of the most eager controversialists on the tariff question have read the tariffs of other countries and compared their rates with the Canadian rates. If they have they found that Canada has almost the lowest rates of any industrial country of any importance in the world.

Intelligent Protection

If we could get rid of the terms "high" and "low" as applied to the tariff question, we would accomplish a great deal. The producers of Canada, including manufacturers, farmers, fishermen, and all other producers, are not asking in some abstract and arbitrary way for a "high" tariff. They are only asking for tariff rates which wlil permit Canadian production, in all its forms, to develop, and to keep Canadians at home instead of forcing them to leave their country. Find out what is necessary, and then provide it. Do not wait till an industry is wiped out before securing the remedy. Prevention is what is wanted, not an attempted cure after the patient is dead. Where is the Canadian cloth industry to-day? It is rapidly disappearing. It could have been saved. But we must remember that in addition to making an inquiry as to what is needed for particular industries, we must also consider the spirit behind the inquiry. There is no use wasting time and money in making investigations and securing masses of information if nothing is going to be done as a result. These repeated tariff reductions, in the face of the policy the rest of the world is following, have shaken confidence in the future of Canadian industry to an alarming extent.

If Canada had not possessed unusual vitality and great natural resources, she could not have stood up under seven tariff reductions in eight years. At present, business slows down before each annual budget to see what will happen and after the budget more time is lost in readjustments. We ask for stability. Let the producers of Canada know where they stand, not merely this year, but for ten or fifteen years in the future. If manufacturing is not wanted in Canada, settle it now. Abolish all the protective tariff rates, and inside of a year or two there will be comparatively few industries worth mentioning. But if, on the other hand, we want manufacturing let us not pursue a policy that keeps it half dead and half alive. Let us follow the example of other countries with special consideration for our own particular conditions and give Canadian producers the tariff rates that will enable them to provide for the bulk of the needs of the domestic market and, from this foundation, to launch vigorously into world competition for export trade.

The Farmer's Protection

As you know, of course, the freight rates on grain and grain products from the Prairie Provinces to the oceans are lower than similar rates in any other country, or on any other commodities in this country. The freight rates on grain and grain products on Canadian railways from prairie points to the head of the Great Lakes are approximately 30 per cent. lower than the freight rates on grain and grain products on United States railways in contiguous territory.

In commenting on the effect of the lower Canadian rates on the 1923 grain crops, Sir Henry Drayton, former chairman of the Board of Railway Commissioners, said:

"Combining the two systems the farmers of the West moved the crop of 1923 for a sum of money amounting to $33,-841,616 less than they would have moved it had American rates been applicable in Canadian territory."

This is a form of protection, and I believe a proper form of protection, or assistance, if you choose to call it that. It is good policy to give the farmers in the Western Provinces the lowest rates in the world so as to move their products from that great inland plain to tide water. But it is protection just the same, and manufactured goods and other commodities, which pay higher rates, have to bear this burden. It must be remembered further that the railways can only give those low rates on grain and grain products if the movement of materials to the factories, and finished products from the factories, and other commodities, creates sufficient volume of traffic to maintain railway revenues.

The Case for the Maritimes

The Maritime Provinces need more consideration from the rest of Canada. Let us consider what further special forms of protection or assistance they need, and co-operate with them in order that they get them.

I speak with less hesitancy on this question because I believe that practically all Canadians agree that some measure of protection for the various forms of production is absolutely necessary. I have tried to present a reasonable view. We are all interested. So is everyone else in Canada.

The Mounted Police and the Customs

"It is showing on the whole that political influence has become so interwoven with the customs service that no matter what else happens there will have to be a general clean-up of the customs service. Not even the King Government can sit idly by while smugglers are being kept out of jail to give the "precious help" that elected their one Liberal from New Brunswick. Nor can Saskatchewan be satisfied to keep on looting Ontario when the arrest of one little French lady with smuggled silk dresses, garters and "pretties" was sufficient cause for the withdrawal of the mounted police from preventive work in Quebec.

And in the whole sordid mess there is one bright spot. Through all the grafting, grovelling and scrambling for putrid profits, the Royal Mounted Police remained true to their traditions. They could not be bought, bribed, frightened or cajoled. They did their duty. They were honest. And as there was no place for honest men, they were ordered off the job."—J. K. Munro, Ottawa Correspondent in Evening Telegram.

It may be recalled that one of Hon. Mr. King's first activities on assuming the premiership was an effort to disband the Royal Canadian Mounted Police and he made public pronouncement on that matter. This gave great satisfaction to the disloyal foreign element, whose activities had been curtailed by General Perry and his men. An effort was also made to put the police under the militia department, but Sir Lomer Gouin, who was Minister of Justice, insisted that this great force be maintained at its old strength and brought under his department. He carried the day and made the greatest defense of the force that has yet been heard in the House of Commons since Sir John Macdonald's days, when the force was directly under his personal control.

It would appear from Mr. Munro's article that Sir Lomer showed great vision.

Soviet Complains Post is Unjust

Louis Kon, manager, Commercial Department in Canada of the Russian Soviet, complains that the heading of an article in our issue of April 23—which, he thinks, infers that the Soviet is not paying for goods bought—is inaccurate and unjust to the Soviet.

He says: "There is no case on record where obligations undertaken by the Soviet were not filled to the last penny."

A perusal of the article, itself, which originated in New York, shows that the Soviet was not charged with not paying for goods delivered, but with not having the money to pay for those negotiated for with so much publicity. The report said:

"Orders placed abroad some months ago, with much publicity by the Soviet government, have been reduced 30 to 60 per cent. The excuse now given is a deficit in the wheat crop, and the statement is made that Germany is apparently in control of the trading situation. German exporters are being paid in full on the delivery of their orders, and are not being troubled with cancellations."

Not Yet Out of the Woods

The recent formality called "The political extension of the German-Russian commercial treaty" is another step in the economic recovery of Russia; but Russia will have a long way to go before any Canadian exporter can feel safe in granting unendorsed credit to buyers from that country. Incidentally, The Financial Post's reports from investigators who have visited and know that country well, are that Russia is in urgent need of large quantities of ordinary artic'es for ever-day use much more than machinery for manufacturing purposes.

Diplomats and cable correspondents recently expressed great consternation over the political treaty between Germany and Russia. Possibly it was the diplomatic way of breaking to the public the fact so well known to leaders in finance and business since the war days that Germany was in complete control of Russia and intended to remain there. Martens, official head of the Soviet Embassy in the United States, was a former German naval officer, but he was not recognized by the United States. German control, notwithstanding all the nonsense talked and written about it, will be a good thing for Russia, a good thing for Europe and a good thing for the world of the future. There will perhaps be some disadvantages for Canada, because Russia will become Canada's greatest competitor in the production of raw material.

In the meantime, Hon. Mr. Robb, as Minister of Trade, must have foreseen this situation when he placed Mr. Wilgress, Canadian trade commissioner for Russia, in Hamburg and not in Moscow, as the officials of his department wanted him to do.

CANADA CEMENT WEAK

The latest cut in the price of cement is blamed for the sag in the price of the stock, which had a net loss of more than a point on a turnover of 388 shares, bringing it to a new low for the year.. The price-cutting war in cement has assumed larger proportions, and will probably be a long-drawn battle. Neither side has much to say about future plans at the moment, but both are "standing pat."

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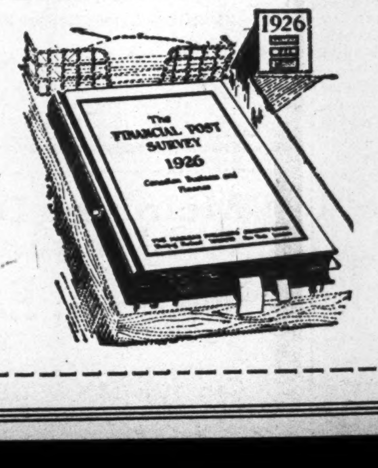

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News of the Mines: A Department for Executives and Investors

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

EXPANSION MARKS IMPORTANT MINE CAMPS OF NORTH

Three New Mills at Porcupine — One to Resume at Kirkland—Silvers Busy

Northern Ontario's gold producers this year are being added to by three new operations reaching the production stage and with one old producer, idle for some time, resuming milling operations. This will make the year 1926 stand out when compared with previous years, as in no previous year have three important producers been added to the list.

Such an event is of wide importance to all of Canada. The three new mills, Paymaster, March Gold and Ankerite, by the end of the year will be operating on a steady basis producing new wealth for the Dominion. The former mill is already started. This money will be distributed far and wide in the purchase of supplies, paying for equipment, power bills, etc. It will hardly be until after they have produced about fifty gold bricks between them, that the question of dividends to shareholders will be considered and in the meantime, there will be close to $1,000,000 distributed.

Kirkland Lake Gold, in the past, spread considerable money throughout the Dominion, but when its mill resumes this year, it is expected to do much more, as it seems certain that the venture will be on a profitable basis this time.

In addition to these operations, expansion programmes in the north are under way at several additional properties. All these mean heavy purchases of supplies, machinery, power equipment, power, etc., so as to enable the production of new wealth by the individual operators on a much larger scale.

In Porcupine, Vipond is doubling its mill capacity; Hollinger is easing its daily tonnage higher and higher; McIntyre may this year get to the position where it can decide whether or not its 1,200 tons daily will be increased to 3,000 or 4,000 and perhaps 5,000 later. Coniaurum is looking decidedly interesting and it would be no surprise if the company was to announce milling plans by the end of the year. It will doubtless start at 1,000 tons.

Neither Lake Shore nor Wright Hargreaves in Kirkland Lake are satisfied with their present production. Both are going to increase their output still more. Teck Hughes, last year, increased its mill tonnage and has plans for an entirely new mill and may decide on 750 or 1,000 tons.

There are other prospects of increases by other small operators in the golds as well. In the silvers, Gowganda looks for a boom year. The advent of an ample power supply for the camp, just recently delivered, is certain to result in many new operations starting up. Gowganda is perhaps an outstanding example of the importance of ample power for a mining camp. It stood still for many years because power costs were so prohibitive. Now that it is on the same basis as the other camps, it should forge ahead. There are about ten operations going on in the camp that are looking interesting, in addition to the three producers, O'Brien, Castle and Tonopah.

South Lorrain may add one mill to the silver producers this year, Canadian Lorrain. There are, however, possibilities that several new operations will be started in the southern section of the camp.

These expansions refer only to the producing or old precious metal section of the north. Coming along are Red Lake, Beardmore, Goudreau and the Lake of the Woods section, which are looking interesting, as well as the large expansion programmes launched by the Sudbury nickel operators. In addition, there is the interesting Central Manitoba camp, where as was pointed out recently, there are indications of a number of important mines.

Further Information as To Mining Corporation

Mining Corporation is doing well by its shareholders in keeping them informed at to progress being made on the various operations. Following closely on the informative address of Pres. J. P. Watson at the annual meeting, comes the regular quarterly report covering the first three months of 1926.

It reveals plenty of scope for operations on the Cobalt properties. It shows some stopes and drifts lengthened and possibilities of some new ore. An additional 26-ft. of 4,000 oz. ore has been opened on 150-ft. level of Watson vein in South Lorrain, while a 53-ft. shoot of 1,500 oz. ore has been opened on the third level, with another find of a lower grade ore made in the fifth. A good looking cobalt-nickel vein was cut on the Little Keeley. Production from Cobalt and Lorrain was 560,934 ozs. or on a basis of better than $2,000,000 ozs. yearly.

Lorrain Trout Lake report does not disclose anything of importance except a great deal of activity. Production was 76,465 ozs.

LORRAIN CONSOLIDATED FUNDS LOW

Lorrain Consolidated is reported nearly out of funds. Some high grade and mill ore has been mined but the quantity has been small. Some sort of a reorganization is being looked for.

NORANDA GETS POWER RIGHT

Noranda mines has secured power rights on the upper Ottawa River, not far from Quebec gold fields. It is said to be capable of producing 30,000 h.p. Noranda has just made a power contract with Northern Canada Power.

Argonaut After Ore Bodies on 1,000 Level

Argonaut Consolidated is now driving on the 1,000 ft. level to intersect the downward extension of the ore bodies developed on the 750-ft. level, says J. A. Rand, general manager. He says the drift has 60-ft. to go to reach the main fault and to pick up the downward portion of the ore shoot encountered on the 750 foot-level which has proven one of the richest so far.

Drifting on 875-ft. level is following closely, being only 45 feet behind as compared with the 1,000 foot level.

Present work of development is done with the idea of picking up ore bodies indicated by diamond drill which took place two years ago but was not followed immediately; the company needing funds at the time.

As soon as the present program is completed, further diamond drilling to ascertain the value of the ground further down as well as laterally will be done before extending the shaft to deeper levels. This should be all accomplished within the year.

With the shaft completed, operations will resume on 500, 625 and 750-ft. levels.

OLD HURONIAN MINE WILL HAVE ANOTHER TESTING

Shields Mining Co. Organized to Develop Northwestern Ont. Holding

The old Huronian mine at Kashabowie near the head of the lakes, is being reopened by Shields Mining Co., organized by Norman Fisher. He will have charge.

It was in the early seventies of the nineteenth century that the Huronian was first heard of. Silver Islet mine was in the heyday of its career and there were various other mining enterprises to attract the attention of the outside world. The famous Captain Frue was in charge of operations at Silver Islet.

The work of development, so far as carried on, proved the richness of the property, but capital was scarce and transportation difficulties were many. Methods were rather crude and finally the Jackfish company abandoned the enterprise.

The promise that the mine contained was not, however, forgotten by the people of Port Arthur and in 1883 a new effort was made to make it a real mine. T. A. Keefer got hold of the property and organized the Huronian Mining Co. The purchase price paid the Jackfish Company was $50,000.

The ore was telluride and consequently not subject to proper treatment in the kind of mill that had been installed, although some gold bricks were turned out. Then it was decided to invest in a chlorination process mill and it was purchased, but it was never got into the property in its entirety. To this day parts of it are strung along the route between Port Arthur and Jackfish Lake. This second attempt to mine the property was suspended in 1889.

Meanwhile the country round about had been pretty well prospected and new companies were organized. These included the Frue-Shebandowan, with 400 acres, the Highland and the Neebish, with 160 acres each. Shebandowan is an Indian word meaning tent open at both ends.

Long Silent

From 1889 on, the Huronian mine remained idle. The bush grew up again on the property that had been cleared, the site became silent; the wild animals no longer knew any fear of approaching the spot where once had been the noise of blasting and the buzz of men at work. When a party of inspection visited the place again last year a big tree was growing up through the roof of one of the abandoned buildings.

About a year ago F. H. Keefer, having long before conceived the idea that another attempt should be made to operate the Huronian, obtained options on the eight hundred acres represented in the holdings of the Huronian, Frue-Shebandowan, Highland and Neebish. Then he got into touch with Norman Fisher, at the Thetford Mines.

Looked Good

Development of the eighties had driven a shaft to a depth of 150 feet with several drifts. Mr. Fisher got hold of an old fire pump, pumped out the water to a level of about seventy-five feet, sampled the vein, looked over the adjacent territory and finally reported to his friends that it "looked good."

This brought about the organization of the Cambrian Shields Co., decision, however, having since been made to drop the "Cambrian," so that it is now the Shields Mining Co., Ltd.

A program of development which will give the property every chance to make good was adopted.

Another Operation Under Way in Elk Lake Area

Nickel Silver mines, which have been doing considerable surface work on their holdings west of Elk Lake, will install a plant. It is understood that 4,000 feet of trenching was done and five test pits sunk and the main vein opened for 220 feet, showing native silver with widths six to 32 inches.

A shaft has been commenced and work has reached a stage where the management has recommended the installation of a small mining plant. The working is down a depth of 20 feet and at the bottom the vein has a width of 30 inches, giving average values of around 157 ounces to the ton. While the leaf silver is not heavy, it is splashed all through the vein material.

A small amount of high-grade has been bagged in the work done at the property to date. A test run of ore is shortly to be sent to the Timiskaming Testing Laboratories at Cobalt. Camps for the accommodation of a small crew have been built at the property and operations are to be continued throughout the spring and summer.

WHITEWATER TO PAY 10 PER CENT

Whitewater Mines, B. C., has declared a dividend of 10 per cent., totalling $10,000, on its preferred shares, covering operations for the first quarter in this year. During the quarter the company shipped 1,318 tons of milling ore to the concentrator at Trail. The mine is said to be developing well.

DON ROUYN DRILLS SHOW GOOD RESULTS

Heavy Mineralization Reported Encountered at 200-ft. Depth

MONTREAL. — The startling surface strike made on the No. 1 group of properties of the Don Rouyn Gold Mines has been proved to persist at depth. The company put down two diamond drill holes and it is understood that both cut into high grade ore at a depth of 170 and 200 feet. It is intended to put down a third drill hole immediately.

Thus the high grade strike made on the surface of this property has been proven to persist to a depth of at least 200 feet. Both drills were put down at an angle of 45 degrees and at a depth of 200 feet the high grade was found to be 25 feet in width; in addition, there was found to be a highly mineralized zone on both sides of the high grade body.

The two holes are 1,500 feet apart. Surface showings indicate an even larger mineralized section. This will be tested by further diamond drilling. Four other ore bodies have been indicated on this property by test pits and by magnometer readings.

Has Development Offer

That Don Rouyn has made a real strike is evidenced by the fact that already it has received a signed offer from large mining interests in United States to develop the property on a 60-40 basis; that is, 40 per cent. of the profits to go to the Don Rouyn shareholders and 60 per cent. to the mining company. As yet, the management has not decided whether to accept this offer or not.

From the surface work and diamond drilling done on this property, it has been ascertained that minimum size of the ore body is 300 feet wide and at least 1,500 feet in length. The company carried on development work all through the winter and the first report of its important discovery was received in March. The No. 1 group is situated in the northwest section of Rouyn Township. This property has for neighbors the Horne, the Chadburn and Noranda groups on the southeast, Powell, and Amulet.

Week Ending May 11

	High for week	Low for week	Close May 11	Close May 4	Sales for week
Amulet	1.20	1.05	1.06	1.03	21800
Area	29½	28	28	28½	1500
Argo Cons.	23¼	21	23⅛	22¾	61850
Baldwin	1¾	1½	1¾	1½	1800
Barry Hollinger	37	35	35	36	63500
Beaver	75½	72	72	74½	35350
Bidgood	5	4⅞	5	5	2000
Brownlee	30	30	30	35	100
Buckingham	3¼	3	3	3¼	8500
Can. Lorrain	88½	76	87	76	47150
Capitol	40	32	36½	33	4995
Castle Tre.	1.43	1.37	1.37	1.39	49175
Clifton	2¼	2	2¼	2	3500
Bourlamaque	9.75	9.45	9.75	9.50	6730
Coniar'm	3.20	3.20	3.20	3.50	20
Col. Kirkland	4	3¼	3⅝	3½	34150
Cons. Smelters	192	186	190	188	6617
Cons. W. Dome	16½	14½	16	14½	53735
Crown Res.	13½	10	13¼	11	102000
Chaput H.	10	9	9	10	3500
Dome Mines	14.30	12.80	13.60	12.80	8985
Everett	7¼	6¼	6½	7¾	21100
Duprat	13	12	12½	12	5000
Goldale	30	28	30	28½	20400
Gold Reef	2	1½	2	2	1500
Gold Hill	38	36	37	38	10100
Grover-D.	31	30	30½	30	16500
Dupuy	25½	24¾	24¾	..	10300
Hollinger	18.50	18.00	18.50	17.90	1871
Kirk Hunton	21	16	17	22	45225
Indian	9¾	8½	9	8½	42500
Don Rouyn	36	35	35	35	5800
Inter. Nic. com.	34¼	33¼	33⅞	33½	3560
Keeley	1.57	1.50	1.52	1.47	14785
Keora	7	5¼	6	7½	274000
Kirk. Lake	1.12	1.04	1.06	1.08	72680
Lakeside	4½	3½	3½	3½	67700
Lake Shore	10.20	10.00	10.15	10.00	1665
La Rose	12	10	12	12	15950
Lorrain	4¾	3⅝	4½	3¾	50000
Laval	27	24	25	26	20600
McKinley	18½	15½	18	17½	43100
McIntyre	25.80	24.60	25.20	24.70	5964
Montreal Ont.	5	3	3	5	1500
Millcrest	20	17	19	18	59550
Mining Corp.	3.43	3.27	3.36	3.28	14190
Moneta	15	11	11	11	5500
Noranda	16.05	15.30	15.70	15.65	21622
Nipissing	5.60	5.40	5.50	5.35	2426
Night Hawk	7	5½	6½	6¼	6500
Ophir	2½	2¼	2½	2	18500
Pete. Lake	2	2	2	2¼	7000
Porc. Crown	6¾	5½	5½	7	2500
Premier Gold	2.25	2.15	2.15	2.16	5838
Preston	6	4¼	4¾	4	9600
Teck Hughes	3.33	3.20	3.31	3.24	55020
Thomp. Krist	1¼	1¼	1¼	2	1000
Rouyn	4⅜	3½	4¼	4¼	162500
Tough Oakes	44½	38	42	37	82850
Vic. Silver	6	5	5½	5	24500
Vipond Cons.	1.62	1.55	1.59	1.55	38334
Wakenda	1¼	1¼	1¼	2	1400
Wettlaufer	6½	4½	6½	5	32320
Wright Har.	8.10	7.80	8.10	7.80	3675
Siscoe	10	10	10	16	300
Vickers	45	42	42	45	8100
Wigwam	18	18	18	20	100
West Dome	16½	16	16	..	8000

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EXAGGERATED RED LAKE REPORTS HURT

Super-Optimists' Reports Are About as Bad as Ridiculous Pessimistic Statements

The Financial Post is in receipt of an inquiry as to whether or not Dome shares should be purchased "now that such excellent results have been obtained on the 500-ft. level in drilling its Red Lake property."

The fact is that the drills are not down anything like that distance. Some exaggerated reports in regard the drilling results on the Howie have been circulated. Frankly we doubt if Dome has given out any information on the limited amount of drilling done to date. The fact is that a shallow hole with either spectacular results or nothing would mean but little in giving a line on the properties' possibilities. Fort William Times-Journal, in discussing these reports says:

"Altogether premature are the reports for and against the Red Lake district which are being freely given out. It takes some little time to drill down several hundred feet, and it may be accepted that optimistic reports as to the drilling on the Dome and McIntyre properties are to be looked upon with suspicion, because at the time that news came out the only cores taken from the drills would be country rock, from which very little can be gathered. The drills are intended to tap the ore body at 300 feet, and even one drill hole cannot be regarded as giving anything definite. The combined experience from half a dozen will be worth something. But, until the vein is tapped and a core taken out, no results can be heralded as promising or the reverse."

Such optimistic reports as are going the rounds are to be frowned upon as are also such foolish statements of the U. S. engineer, Mr. Baum, who is credited with the statement that Red Lake ore is of no commercial value as it only runs $10 to $17 to the ton.

GOOD SILVER VALUES

A 40 ton shipment from the recent strike at the Wellington mine in the Boundary District, B. C., is being hauled to Beaverdell. The first shipment from this strike brought a smelter return of 350 ounces of silver per ton. The ore carried also small quantities of gold and lead. The Grandforks syndicate which owns and is operating the property recently refused an offer of $75,000 for the mine, which is situated on Wallace Mountain, below the Sally mine.

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Better Transportation to Central Manitoba Area

Indications are that Central Manitoba district, where considerable mining activity is going on, will have better transportation this summer and altogether likely, in another year, a railroad. Information sent The Post is to the effect that the C. P. R. at present has three gangs of men in the field working on a survey. Meanwhile boats are being strung along the various lakes and the government has appropriated funds to fix up the portages so that greater speed will be possible in taking in summer supplies. Latest advices from the Kitchener, or W.A.D. property, is to the effect that it never looked better.

Two New Shoots of Mill Ore Developed on Keeley

Keeley Silver Mines, produced 124,815 ounces of silver and 17,974 pounds of cobalt, in April. Two new shoots of ore were developed in No. 28 vein; one on the 9th, the other on the 10th level. That on the 9th averaged 34 ounces over 42 inches for a length of 30 feet, the face being still in ore at the end of the month. The shoot on the 10th level averaged 37 ounces over 42 inches for a length of 54 feet.

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News of the Mines

ANOTHER WELL HAS ENTERED FAVORABLE TURNER VAL. SAND

Gas Flow at McLeod Well Forced Drillers From Derrick Floor

CALGARY. — Following the resumption of drilling at the McLeod No. 2 well in the Turner Valley field the flow of wet gas increased to such an extent that it became impossible for the drillers to work on the derrick floor and preparations are under way to shut off the flow between the six inch and eight inch strings of casing to lead it off at the top through a braidenhead.

The excitement at McLeod No. 2, which now holds the centre of attention in the field, started when drilling was resumed after running six and a quarter inch casing down practically the whole 3,635 feet of hole. The bit made about two feet more and the flow increased to a great extent. Then the string of tools dropped into the well when a pin snapped. By careful work the crew brought the tools to the surface within a few hours and started work to control the gas flow so that they will be enabled to drill on down into what they are convinced is the limestone in which Royalite No. 4 struck big pay. It is certain that the bit is now in the bottom stages of the calcareous shales or in the top of the limestone. Royalite 4, half a mile north, drilled a little more than 300 feet into the limestone.

Others Look Interesting

In addition to McLeod No 2, three other wells in the Turner Valley field are now in what is regarded as the last lap of their race to the Dolomitic limestone. They are Royalite No 5, Vulcan No. 1 and Dalhousie No. 3.

Royalite No. 5 has resumed drilling at 3,100 feet. It is estimated that it is at present about 500 feet over the level at which No. 4 struck the big pay and will have to go a little deeper.

Dalhousie 3 crew report a rise of the light oil some 700 feet in the hole. The depth was 3,260 feet. In order to test the productivity of the well it will be bailed dry with the new swab and left for twelve hours, then bailed again.

Down to a low level for the field of 4,622 feet, the Vulcan six inch bit is in very hard formation. Oil continues to seep into the hole from pockets at different levels.

Great West continues to drill at a high rate of speed, having passed the 1,000 foot mark since spudding-in on March 31.

Big Chief is pounding away again, having started drilling at 1,400 feet after a lot of trouble with the 12½ inch casing. Dallas crew is making good progress in early stages of drilling. Home Oil still has a fishing job on hand for the big 22½ inch bit that dropped into the hole when a pin snapped.

MUCH DRILLING OF QUEBEC HOLDINGS

Sixteen Diamond Drills Are Reported Busy Testing Out Properties

The amount of exploratory work being done, and the importance of the Rouyn area, may be judged by the number of diamond drills now operating in this Quebec mining field. At present there are sixteen drills, twelve in Rouyn proper and four in the Cadillac area.

The drills are distributed as follows:

Two drills on the Waite property.

Two drills on the Amulet.

One drill on the McDougall-Cassels ground, adjoining the Amulet, now under option to Thayer Lindsley.

One drill about to be set up on a property near the Waite.

One drill on the Area group, proving the southward continuation of the easterly Amulet ore zone.

One drill on the Horne.

One drill on the Dasserat Rouyn property, now set up in front of Dumulon's property in Boischatel, the scene of the newest important copper discoveries.

Two drills on the Kennedy, Carrol and Sladen claims in Fourniere township, which claims are under option to the Porcupine Goldfields Co.

One drill on the O'Brien claims in Cadillac township.

One drill on the Thompson claims adjoining the O'Brien claims on the west, which are being explored by Huronian Belt Co. under the direction of Fred J. B. Davies.

In addition, a diamond drill has been taken into Montbray to test the ground under option to Nipissing.

Oscar Smith has taken a drill into the Siscoe property in Hurricanaw.

There are, thus, thirteen distinct diamond drill explorations now being conducted in this Quebec field to definitely prove and to block out if present ore bodies, and in all likelihood this number will be increased before the summer is ended. Osisko Lake Co. (Bickell-Errington interests) are reported contemplating putting a machine on their property adjoining the Horne on the east.

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McLeod Oil Shares Show 1925 Oil Sales $11,913

McLeod Oils, with one well pumping oil in Turner Valley and a second just entering the zone where the oil producing formation is expected, sold $11,913 worth of oil in 1925. This came from No. 1 well, principally. A financial statement just issued shows $165,469 in stock outstanding and $84,531 of the $250,000 capitalization, in dollar shares, in the treasury. The company has a small contingent liability to W. S. Herron; the amount depending on the amount of oil produced daily. Assets are shown as $29,011 for No. 1 well, and $38,045 for No. 2. Leases and surface rights are shown at $28,118. The company has spent $70,873 on development account.

Featureless Trading in Various Mining Shares

The mining market has been quiet. Trading has continued more or less featureless. The only movement of any importance was in Canadian Lorrain, which moved up on a report, since officially confirmed, that a high-grade silver vein had been encountered. Quite a number of the leading shares showed, if anything, a weak tendency. Dome is a little stronger at $14, while McIntyre is again above $25. There seems to be a fair buying power to the market for stocks at a price. Indian shares have been stronger on the revival of the report that Premier is going to take it over.

Canadian Lorrain Cuts 5,000-Ounce Silver Vein

Official confirmation has been received in regard to the high-grade find on Canadian Lorrain 150-ft. level. As suspected, the vein is an upward extension of No. 5 and runs 5,000 ounces of silver over eight inches. This vein showed good milling ore on the lower level. Mill construction is going ahead on the property.

Wainwright Field to Have Many New Wells

EDMONTON.—Eight new wells are soon to be started in Wainwright field as a result of the success of Edmonton-Wainwright well. Western Consolidated well, down 1,400-ft. is awaiting casing. Wainwright Dome has derrick timbers on the ground which will be erected as soon as the builders complete the derrick on Emerald oils, T. G. Sugars' new operation. Wainwright Petroleums is awaiting drilling machinery. Maple Leaf at Fabyan will resume on its No. 2 well this month. Wainalta Oil will start drilling May 15. Model Oils, Calgary, will start a well soon in Wainwright. Interior Oils new casing is being delivered. Irwin Oils plans operations about May 10.

STARTS MINING BROKERAGE

E. S. Gordon, formerly secretary of Tough-Oakes-Burnside Mining Co., and lately manager of the mining department of Newman Steaf & Co., brokers, has opened a mining brokerage service. Mr. Gordon has been associated with the mining industry for 25 years, starting as assistant secretary of Crown Deep Mine on the Rand.

GOLD HILL NEARS VEIN

Gold Hill expects to cut its vein on the 600-ft. level early next week. The vein is expected to show an increased width on the lower level.

EXPANSION IN B.C. MINING IS NOT OF THE BOOM VARIETY

Lively Search Going on For Workable Mineral Deposits in Province

The mining industry of British Columbia is, according to V. Dolmage of the Geological Survey of Canada, on a better financial footing than it has hitherto been. Last year's production of $61,500,000 exceeds that of any previous year and the dividends paid amounted to over $6,000,000 or about $10 per cent of the production. The profits came chiefly from metal mining and particularly from lead, zinc, silver and gold. A keen interest is being taken in the mining industry and an unusually large number of engineers backed by ample capital are conducting a lively search for workable deposits, which work is being expedited by an unusually mild winter followed by an early spring. The healthy progress of the industry fortunately is not being retarded by anything in the nature of a boom, there being no wild speculation on the part of the public in either claims or stocks.

Copper Production

The two principal copper mines, Hidden Creek and Britannia, maintained a high rate of production throughout the year. Allenby Copper began operating the large deposits at Copper Mountain in August, 1925, and by the end of the year had produced about 6,000 tons of concentrates which were shipped to Trail for smelting. Since that time the rate of production has been increased. As the copper of these deposits is largely in the form of bornite and chalcocite; the concentrates are high grade.

The high prices of lead and zinc and the improved lead-zinc separation processes have transformed many deposits which were formerly worthless into valuable mines, and consequently many long-discovered deposits, which have lain idle as well as some new ones, have been and are being opened up and the production of lead, zinc and silver is on the increase.

There is much activity in the Stewart district where a large number of properties are under development, many of which are making small shipments of high grade ore. Premier Gold Mining Co. have increased the capacity of their mill up to 500 tons per day. They have been able to maintain ore reserves at a nearly constant figure during the past several years and at the same time to continue their $400,000 quarterly dividends. On the adjoining property, B. C. Silver, systematic development has been continued with gratifying results, four important ore bodies having thus far been discovered. At present the principal interest centres on the Big Missouri, in which a considerable amount of good ore is reported to have been discovered. Big Missouri Mining Co., which now have the big Missouri mine under option recently bonded several of the adjoining properties and are making plans for the treatment and transportation of the ore.

IMPERIAL ACTIVE IN NEW AREAS

Imperial Oil is making good progress on three Alberta wells being drilled outside the real active area. Erickson Coulee well near Rogers Imperial, not far from Montana boundary, is down 47 ft. Jumping Pound well west of Calgary is down 1,900 ft. Rice Creek well, west of Nanton, will start when the crew arrives from the abandoned Coalspur well.

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Not All Those Seeking Ottawa Oil Charters Are Stock Jobbers

The Secretary of State, Ottawa, is co-operating with the western provinces, in an effort to control stock jobbing in connection with the oil development in Alberta. This is desirable. Some stock jobbers are already in the field and as operations progress more are to be expected. The statement issued at Ottawa is to the effect that the arguments of the province infer that many companies are more concerned with stock selling than boring for oil. It is also, doubtless, time that many of the hundred companies that recently applied for Dominion charters are of the stock jobbing variety and, on the other hand, there are numerous excellent companies, sponsored by high class business men who have taken out or are seeking Dominion charters for oil companies and in not a few cases, their stock has been taken up long before the charters have arrived. The fact that these concerns seek Dominion charters, is due to the fact that the Province of Alberta rigidly inspects new companies before charters are granted. The delay and red tape which must be gone through is obnoxious to many, and doubtless in some cases, the promoters of these companies are momentarily not in a position to meet the stringent conditions which the province lays down. The result is that good and bad companies alike are seeking Federal charters. It is difficult to see what effect or curb making shares of no par value will have on stock jobbing, as the Federal Department suggests.

Night Hawk Subject of Control Negotiations

Night Hawk Peninsular will close its mill for a few months and concentrate on exploration and development. Meanwhile English interests are negotiating for control on a progressive option basis with a $900,000 maximum. The company is in need of funds. Latest plans in regard a power supply is that Great Northern Power will continue to supply 60 cycle power for the life of the contract with the mine.

VIPOND APRIL PRODUCTION

Vipond Consolidated produced in April: $47,200 from 5,131 tons milled.

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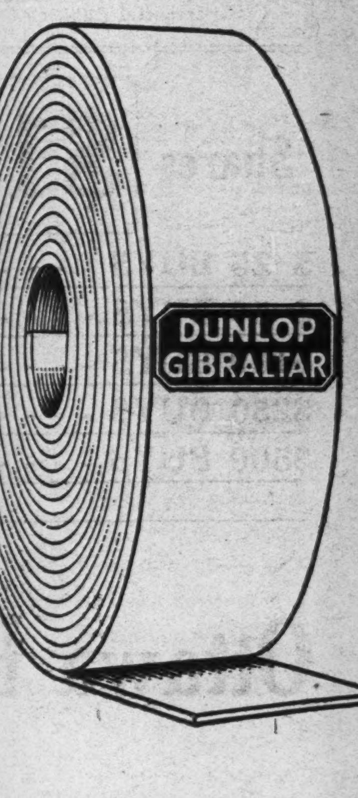

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If You are Interested in a Speculation With More Than a Possibility for Exceptional Profits, Read the Following Carefully

TURNER VALLEY, ALBERTA, A POTENTIAL OIL FIELD

Destined to Rank Among the Great Petroleum Areas of the World

Production from TURNER TALLEY during 1925 equalled the total produced from the rest of Canada during the previous year or some 160,000 barrels, but the product being of extremely high gravity the value of same would represent three to four times the revenue

Why is an investment in the shares of a well located and efficiently managed oil company the largest and quickest profit payer in the world?

BECAUSE—When a producing well is brought in the returns are immediate for the product, and the net earnings are at least 90% of the value of the oil produced by reason of the fact that the overhead is negligible.

Investments in oil production are generally looked upon as being more or less highly speculative, and rightly so; but in the case of Locarno Oils Limited the element of chance has been eliminated as far as is humanly possible, owing to the central and preferred location in Turner Valley oil structure; the high standing of the personnel of the operating company; and the certainty that the investor will have more than an even break for large returns. It should be remembered that successful oil investments exceed in profits many times over investments in any field or commodity in the world.

It is a matter of common knowledge that very small sums invested in operating companies in Turner Valley have increased TEN FOLD in many instances within a few months. Scores have turned $100 into a thousand dollars, and even more. Such quick profits are not unusual in the oil business, but this is perhaps the only occasion that we in Canada have had the opportunity of participating in them, for the reason that our now world-famous Turner Valley field is, for the first time, in process of development by companies provided with ample capital to get results.

In inviting you to join Locarno Oils Limited, while its shares are available at par ($1.00), we do so because of our confidence that the future holds exceptional possibilities for this enterprise. We believe this to be the case, not merely on account of the value of the company's holdings, the soundness of its organization or the strength of its directorate, but for the reason that drilling in Turner Valley is now well under way, with several wells approaching completion, and also that the influx of capital has only just started.

Tremendous events may reasonably be anticipated for the Turner Valley oil field during the next sixty days—events which will completely overshadow the intense interest of the past few weeks, which has kept all Calgary in a furore. It is hardly necessary for us to point out to those who have followed the progress of the field and are familiar with its potentialities what these events are likely to mean to shareholders in an enterprise such as Locarno Oils Limited.

You will remember that shares in Turner Valley oil companies which you could have purchased a few months ago at $1.00 each, advanced to six, seven, eight dollars each, and even higher, affording many people the chance to become financially independent — and that IN ADVANCE OF THE COMPLETION OF THE WELLS REFERRED TO.

Do not pass up the opportunity which Locarno offers you for similar substantial quick returns. The market for all stocks in operating companies is likely to be far more active a month from now than even it is today. Prices will almost surely be higher. However, we do not urge you to buy merely on account of the exceptional speculative possibilities which this stock offers, but because of our confidence that Locarno is building on a sound foundation and is, therefore, destined to become one of the most successful companies operating in the Turner Valley field.

Management

Experienced management is the most important factor in the success of any oil company, as it is with regard to any business. The personnel of the directorate includes men of wide and successful business experience, and with records of straight dealing. The field operations will be under the direct personal supervision of a Director with years of experience in oil drilling, as well as being one of the pioneers in "Turner Valley." This will ensure the keeping down of operating expenses to the lowest point consistent with efficiency.

Officers and Directors

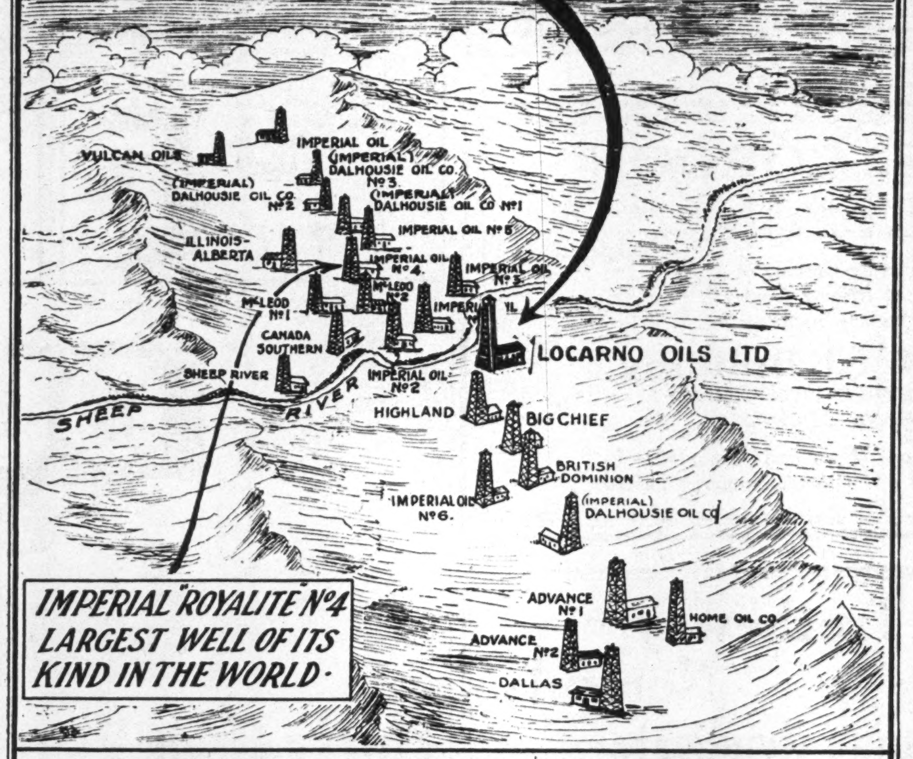
President:
SENATOR H. W. LAIRD
Regina, Sask., and Ottawa, Ont.
Vice-President:
SENATOR GERALD V. WHITE
Pembroke, Ont.
Secretary-Treasurer:
RICHARD A. OLMSTED, Barrister
Ottawa, Ont.
Directors:
HON. H. W. LAIRD — R. A. OLMSTED
HON. GERALD V. WHITE
S. C. GILMOUR, Ottawa, Ont. — R. T. STEWART, Sudbury, Ont.
DR. W. C. ARNOLD
Ottawa, Ont.
D. A. MACDONALD, Oil Expert
Calgary, Alberta
Solicitors:
Larmonth & Olmsted, Ottawa, Ont.
Auditors:
Anderson & Armstrong, Ottawa, Ont.
Bankers:
Imperial Bank of Canada, Ottawa, Ont.

Shares $1.00 Each

$ 25 BUYS	25 SHARES
$ 50 BUYS	50 SHARES
$100 BUYS	100 SHARES
$250 BUYS	250 SHARES
$500 BUYS	500 SHARES

Walter Noble Burns, writing in the Wall Street Magazine, said that the Alberta oil fields threaten to rival all the great oil fields of the earth combined. He said that if the discovery of oil proved up to the expectation of expert geologists, based on careful investigation, that the oil deposits of Pennsylvania, Oklahoma or Tampico will seem as bubbling springs beside a geyser. His prediction is now in a fair way to be realized in Turner Valley. There is certainly every reason to believe that profits will be made rivalling, if not exceeding, those of other fields.

LOCARNO OILS LIMITED.



·TURNER VALLEY OIL FIELD·

After a careful perusal of the matter contained on this page, one cannot help being impressed with the vast possibilities of this field as an oil producer of immense volume and value, owing to the extremely high test quality of the petroleum recovered.

Taking these facts into consideration, and with a study of the above map, one will immediately be struck with the strategic location of LOCARNO OILS LIMITED, with producing wells close at hand, and intensive active drilling being carried on all around the property.

The shares are now being offered for public subscription at the par value of $1.00, which offer is subject to advance, without notice, owing to the fact that values of shares in well located operating and drilling companies are all well above par, and subject to rapid advance as new wells come into production.

Study the map of the field in relation to location of "LOCARNO OILS." Then, when you are fully satisfied that the organization and prospects of this company are such as to merit your confidence, your application for shares is invited.

Location of Holdings

In making an investment in Oil, the most important factor to be taken into consideration, next to management, is that of location. The TURNER VALLEY FIELD embraces a considerable area, and only that portion on the main structure, or as nearly ascertainable as possible proven ground, is looked upon with favor by geologists. The holdings of LOCARNO OILS, LIMITED, are situated in what is considered the main structure and centre of the production area. A glance at the map will qualify this statement, showing our location to be about one and one-quarter miles southeast of ROYALITE No. 4, "wonder well"; one-half mile southeast of Royalite No. 1 (Dingman original discovery well), about three hundred feet north of "Big Chief," and about one-half mile northeast of Royalite No. 6. Thus, it will be seen that in so far as location is concerned none could be better in the proven area.

It is noteworthy that each and every well previously drilled on the main Turner Valley structure has either struck oil at the first sand in paying quantities or has met with such good indications of their being found at a lower level as to justify the deepening of these old wells. The giant "Royalite" No. 4 well is the largest well in the field, because it is the only well which has up to date been drilled to the gusher sands; but here are a number of other extremely valuable producing wells, some of which are to be deepened with a view to increasing their production. At the present moment the field is literally a hive of activity, with numerous wells drilling, one or more of which may come roaring into gusher production within a short time.

The Greatest Industry in Canada is Now Being Developed in the Turner Valley Oil Field

At this late date it is hardly necessary for us to dwell upon the present production and potentialities of the Turner Valley oil field.

As the Calgary Herald stated in a recent article: "Six months of active drilling and development work in Turner Valley, Canada's richest oil and gas field, 45 miles southwest of Calgary, have brought that adventure to the point where practical oil men and experienced geologists are anticipating results which will make the year 1926 a red letter one in the history of Western Canada."

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Investment Securities

Phone Queen 6647 — Ottawa, Ont. — 314 Booth Building

To: OTTAWA BOND AND SECURITY CO., LTD.,
314 Booth Building, Ottawa, Ont.

Date....................192....

I hereby apply for and agree to buy ....shares from you in the Locarno Oils Limited, at One Dollar ($1.00) per share, and hereby pay you $................, being full payment therefor.

Name ....

Street (if any) ....

City ....